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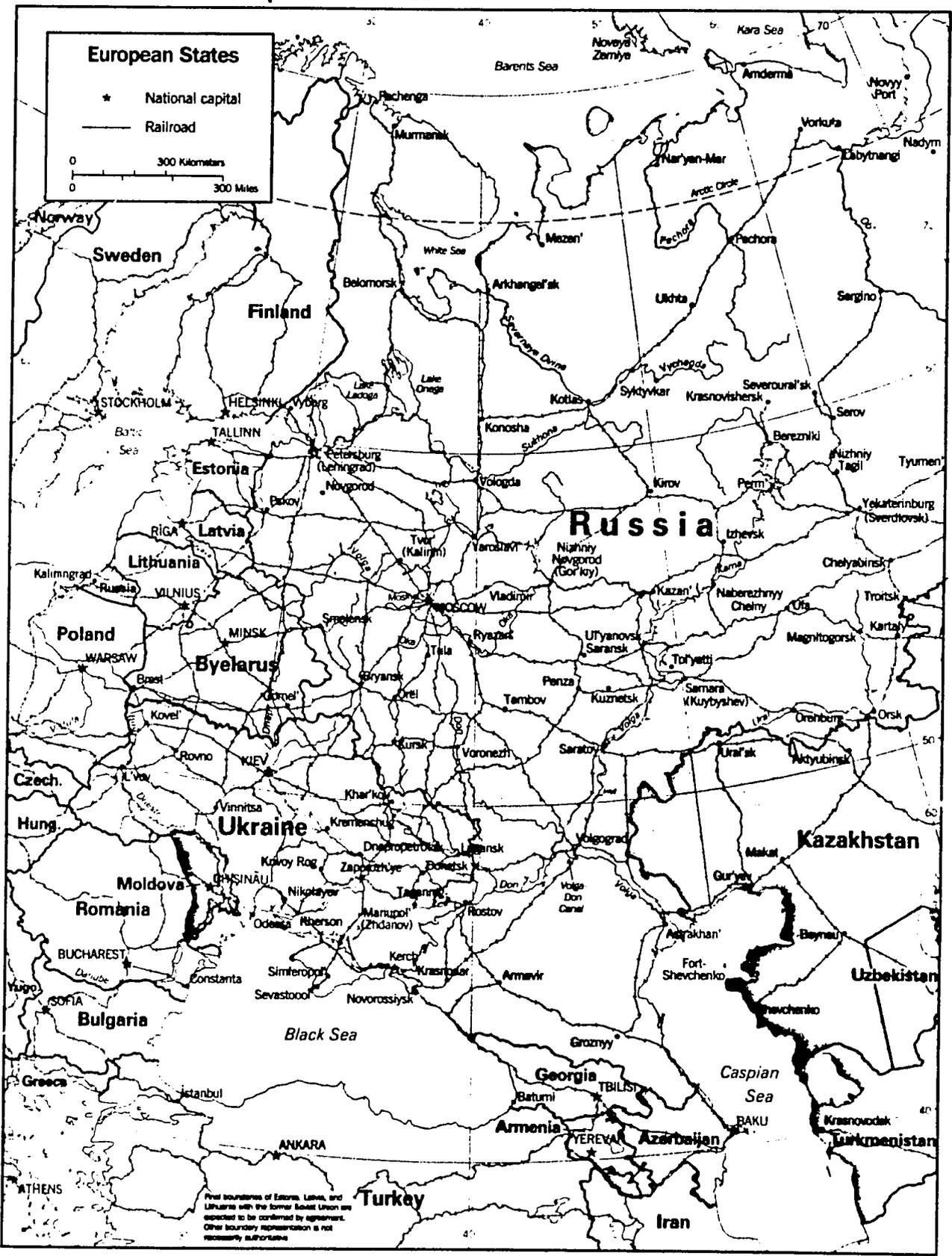
Commonwealth of Independent States



Final boundaries of Estonia, Latvia, and Lithuania with the former Soviet Union are expected to be confirmed by agreement. Other boundary representation is not necessarily authoritative.

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Commonwealth of Independent States



Final boundaries of Estonia, Latvia, and Lithuania with the former Soviet Union are expected to be confirmed by agreement. Other boundary representation is not necessarily authoritative.

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Commonwealth of Independent States



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DRAFT PROPOSED ITINERARY FOR SCOTT SPANGLER
Ukraine, Russia, Kazakhstan
October 30 - November 22, 1992

Ukraine

Friday, October 30:

5:55 PM: Depart Washington Dulles, TWA

Saturday, October 31:

7:00 AM: Arrive Paris

2:55 PM: Depart, Air France

6:55 PM: Arrive Kiev

Sunday, November 1:

8:00 AM: Leave for Suma to visit
Monsanto group agrocenter. Stop along the way
to visit stores in town and state/private farms.

6:00 PM: Return to Kiev

Monday, November 2:

7:00 AM: Breakfast

8:00 AM: Meet with USAID staff Hotel Lybid

9:15 AM: Country Team

10:30 AM: Meeting with President Kravtchuk

11:15 PM: Meeting with Office of the President Officials

1:00 PM: Lunch

2:00 PM: Meeting with Cabinet Ministers

3:30 PM: Minister of Finance

4:30 PM: Chairman of the National Bank of Ukraine
(Central Bank)

7:00 PM: Dinner, American Chamber of Commerce

Tuesday, November 3:

8:00 AM: Breakfast

9:00 AM: Ministry of Conversion

9:30 AM: Site visit to an industrial plant

12:30 PM: Visit commodity exchange

1:30 PM: Lunch with Mike Dixon, IFC

2:30 PM: Minister of Privatization

4:00 PM: City tour

7:00 PM: USAID Reception

Wednesday, November 4:

8:00 AM: Breakfast

9:00 AM: Leave for Lviv by chartered plane with a
fly-over Chernobyl

Visit private companies

Visit management institute

Meet "The Business Club"

Meet President's representative

7:00 PM: Return to Kiev

Thursday, November 5:

8:00 AM: Breakfast
9:00 AM: Supreme Parliament (RADA)
10:30 AM: Leave for airport
11:10 AM : Fly to St. Petersburg

Russia

Thursday, November 5:

2:00 PM: Arrive St. Petersburg, tour city en route from airport
4:00 PM: Meet with US Consul General, Jack Gosnal

Friday, November 6:

9:00 AM: Mayor Anatoliy Sobchak
10:30 AM: University of St. Petersburg, Business Link Professors
12:30 PM: Lunch with US and local businessmen
3:00 PM: Site visit with Valery Filpov, defense conversion

Saturday, November 7:

Morning Tour Hermitage
7:00 PM: depart for Moscow St. Peterburg
8:15 PM: Arrive in Moscow

Sunday, November 8:

10:00 AM Visit Ismailova market
12:00 PM: Lunch
1:30 PM: Tour Kremlin
Evening reception at Jim Norris'

Monday, November 9:

8:00 AM: Breakfast, Jim Norris
9:15 AM: Meeting with AID employees in Change Building
10:30 AM: Meeting with Ambassador Strauss, DCM Collins, and members of the country team
12:00 PM: Lunch
2:00 PM: Anatoliy Chubays, Chairman of the State Committee
3:30 PM: Meeting with Aleksandr Shokhin, Deputy Premier, International Cooperation and Development Agency
4:30 PM: Site visit to MacDonalds agribusiness center

Tuesday, November 10:

8:30 AM: Possible breakfast meeting: Peter Derby, Dialogue Bank; Leonid Aniteev, Credit Suisse/Bank of Boston
10:00 AM: Site visit to Moscow stock exchange
12:30 AM: Luncheon: with U.S. grain companies: Ralston Purina, Continental
2:30 PM: Visit with Ralston Purina to meat packing plant
6:00 PM: Dinner
9:00 PM: leave for Nizhniy Novgorod

Wednesday, November 11: Field Trip to Nizhniy Novgorod, formerly

closed military city, discuss military conversion, energy and environmental issues.

6:50 PM: Depart Nizhniy Novgorod
8:05 PM: Arrive Moscow

Thursday, November 12:

9:00 AM: Site visit to Moscow partnership hospital
12:00 AM: Lunch
1:30 PM: Farm site visits to private farm Markhardze (advisor to vice president) and with VOCA to a farm they are assisting
Evening: Ballet

Friday, November 13:

8:00 AM: Breakfast with Harvard Advisors
9:00 AM: Ray Struyk, Housing site visit
10:30 AM: PVOs
2:10 PM: Depart Moscow

Kazakhstan

6:30 PM: Arrive Alma Ata

Saturday, November 14: Luncheon hosted by Ambassador Courtney
Environmental briefing--Semi Palatinsk Museum (history of nuclear testing program)
Dinner with AID/Embassy staff

Sunday, November 15: Field Trip

Monday, November 16: Meetings with Prime Minister, Deputy Prime Minister in Charge of Humanitarian Assistance, Acting Chairman of the Supreme Soviet's International Affairs Committee, Chairman of the Supreme Soviet's Committee for Economic Reform, First Vice Chairman of the State Committee of Property, various ministers.

Meetings with IESC director, president of the Union of Small Enterprises, President of the Congress of Enterprises and head of the Central Joint Stock Bank, Head of the Kazakh Stock Exchange

Evening reception at Ambassador Courtney's

Tuesday, November 17: Housing site visit

Wednesday, November 18: Drive to Kyrgystan

Thursday, November 19: visits in Kyrgystan, return to Alma Ata

Kazakhstan

Friday, November 20:

1:00 PM: Depart Alma Ata via Turkish Airlines;
6:55 PM: arrive Istanbul

Sunday, November 22:

7:55 AM: Depart Istanbul via Delta, flight 15;
10:00 AM: Arrive Frankfurt
12:15 AM: Depart Frankfurt via United, flight 917
3:40 PM: Arrive Dulles



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

FACTSHEET

WASHINGTON, DC 20523

OFFICE OF EXTERNAL AFFAIRS

June, 1992

USAID TASK FORCE ACTIVITIES IN THE FORMER SOVIET UNION

As part of the United States' effort to help the New Independent States (NIS) of the former Soviet Union make the transition to democracy and a free market economy, the U.S. Agency for International Development (USAID) has established a Task Force to coordinate activities with the NIS. USAID missions in Russia, Ukraine, Kazakhstan and Armenia are scheduled to be fully operational by early fall. Those in Moscow, Kiev and Alma-Ata are already staffed. The NIS Task Force has authorized eight projects which are briefly summarized below:

A. Technology Transfer/ Democratic and Economic Initiatives: Supporting the economic transition of the NIS to free market economies. Included are the Special American Business Internship Program (SABIT); a public policy/administration program; and programs with the International Executive Service Corps, Citizens Democracy Corps and selected PVOs and NGOs.

B. Energy Efficiency/Market Reform: Increasing efficiency in energy production, distribution and consumption, as well as implementing sectoral market reforms. Included are programs dealing with nuclear plant and coal mine safety.

C. Health Care Improvements: Improving NIS medical care through the transfer of U.S. medical technology; training medical personnel; developing US/NIS hospital partnerships; increasing vaccine, pharmaceutical and medical production; and expanding U.S. trade and investment in the NIS health care field. (This project is directed by USAID's Europe Bureau.)

D. Private Sector/Defense Conversion: Facilitating economic transformation by involving U.S. businesses and institutions in areas where they have a comparative advantage. A primary focus of this project is the reorientation of NIS military industries toward the civilian sector.

E. Food Systems Restructuring: Supporting efforts by the NIS to develop private sector agribusiness, agricultural production, and food storage and distribution systems, as well as strengthening U.S. trade and investment in the agricultural and food sector.

F. Democratic Pluralism Initiatives: Assisting the political and social transformation of the NIS states from one-party, centralized communist regimes to pluralistic democracies. Included are small grants to U.S. political party institutes and other organizations to support free elections, constitutional and rule-of-law procedures, civic education and political party formation.

G. Housing Sector Reform: Supporting the development of a market-oriented housing sector with short- and long-term resident experts who will advise NIS governments in drafting housing and privatization legislation.

H. Economic Restructuring and Financial Sector Reform: Aiding the transition of the NIS economies to market-based systems by providing advisers to work with host governments on finance, foreign exchange, trade policy and banking sector reform.

For further information contact Rick Marshall (202) 647-9950 or 647-4274



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OFFICE OF EXTERNAL AFFAIRS

#92-69

September, 1992

USAID EMERGENCY PROGRAMS IN THE NEW INDEPENDENT STATES (NIS)

The U.S. Agency for International Development (USAID) has allocated \$30 million for emergency medical and humanitarian assistance to the New Independent States (NIS) of the former Soviet Union this year. USAID teams have conducted extensive reviews of the medical and food security situation in many key regions of the NIS and are helping track early warning indicators and developing response strategies to address potential NIS humanitarian emergencies.

Emergency Medicines Program: With USAID support, Project HOPE is managing this Presidential Initiative which has sent 34 flights and eight surface shipments of medical and pharmaceutical donations to NIS health facilities. The Agency also funds Project HOPE purchases of items not usually donated to the NIS.

Emergency Immunization Support Program: This year USAID is funding the vaccination of 645,000 young children in Kyrgyzstan, Tajikistan, Turkmenistan, Ukraine and Uzbekistan against measles, polio, diphtheria, pertussis (whooping cough) and tetanus. Plans are also underway to vaccinate children in Armenia.

Emergency Medical Supply: Through the American Red Cross and the American Hospital Association, USAID is helping collect, ship and distribute medical supplies to the NIS. A fund is also being set aside as a reserve emergency fund for medical needs in the NIS.

Emergency Response Training: A number of regions in the NIS are experiencing civil strife and shortages of food, medicine and shelter, which new NIS government structures are unable to cope with. Working through the various NIS humanitarian commissions, USAID has begun to train institutions and personnel in modern emergency response techniques.

Emergency Indicators/Warning/Assessments: USAID is tracking potential NIS humanitarian emergencies which might require outside humanitarian assistance. Assessment missions by inter-disciplinary teams of relief experts will provide updates on health and food security issues throughout the NIS.

Assistance Delivery and Monitoring: USAID teams played an important role in coordinating the delivery and monitoring of food and medical assistance during Operation Provide Hope. USAID has a continuing role in monitoring use of USG humanitarian aid in the NIS via contracts with private voluntary organizations.

For further information, call Dennis Culkin at (202) 647-9195

EMERGENCY HUMANITARIAN ASSISTANCE (EHA)

Office Director: Eugene Dewey, 202/647-7615

Country/City	Project Activity
Russia	EMERGENCY HEALTH SURVEILLANCE SYSTEM -- Interagency Agreement with A.I.D. and the Centers for Disease Control (CDC) working with the Russian State Committee on Sanitary and Epidemiological Surveillance (SCSES) and with the Ministry of Health to establish a public health early warning system for a more effective response to the outbreak of diseases.
	PRESIDENTIAL MEDICAL INITIATIVE -- PVO/Project HOPE provision of \$40 million of humanitarian assistance shipments to Russia withr AID - funded support.
	FOOD SECURITY AND VULNERABILITY SURVEYS -- AID contract with CARE to monitor the distribution of USG food and medical supplies under project PROVIDE HOPE. CARE also conducts surveys of vulnerable groups' access to food.
	END USER MONITORING -- AID has contracted with Catholic Relief Services to monitor the distribution on USG furnished medical supplies in the Russian Far East.

EMERGENCY HUMANITARIAN ASSISTANCE (EHA)

Country/City	Project Activity
Ukraine	CHILDREN'S IMMUNIZATION PROGRAM (PROJECT HOPE) -- AID is providing a short-term childhood immunization program to vaccinate 375,000 children against measles plus establish the necessary cold chain and related training.
	EMERGENCY MEDICINES INITIATIVE -- With the Centers for Disease Control, assessing diphtheria vaccine needs to mitigate a possible diphtheria outbreak.
	PRESIDENTIAL MEDICAL INITIATIVE -- PVO/Project HOPE: \$18 million of humanitarian assistance shipments have been provided with AID support.

EMERGENCY HUMANITARIAN ASSISTANCE (EHA)

Country/City	Project Activity
Kazakhstan	EMERGENCY MEDICINES INITIATIVE -- Ministry of Health requested emergency medicines received from AID. List is currently being reviewed by technical personnel for rapid procurement and delivery of up to one million dollars in essential medicines and medical supplies.
	PRESIDENTIAL MEDICAL INITIATIVE -- PVO/Project HOPE: \$2 million of humanitarian assistance provided.
	FOOD SECURITY AND SURVEY -- AID contract with CARE to monitor the distribution of USG food and medicines and to conduct surveys of vulnerable population groups.

EMERGENCY HUMANITARIAN ASSISTANCE (EHA)

Country/City	Project Activity
Armenia	EMERGENCY MEDICINES INITIATIVE -- This initiative will provide up to one million dollars of essential medicines and medical supplies.
	CHILDREN'S IMMUNIZATION PROGRAM (PROJECT HOPE) -- Providing 100,000 doses of measles vaccine and related cold chain equipment, disposable syringes and technical training for the Armenian health community.
	PRESIDENTIAL HEALTH INITIATIVE PVO/Project HOPE: \$2 million of humanitarian assistance shipments.
	EMERGENCY CONTINGENCY PLAN -- AID with STATE/EUR and STATE/RP preparing emergency contingency plan for Armenia for the delivery of food and emergency medicines.
	FOOD SECURITY AND SURVEY -- AID contract with CARE to monitor the distribution of USG food and medicines and conduct surveys of the vulnerable segments of the population.



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#92-62

July, 1992

USAID DEMOCRATIC AND ECONOMIC INITIATIVES PROGRAM

IN THE NEW INDEPENDENT STATES (NIS)

In March 1992, the U.S. Agency for International Development (USAID) launched its first comprehensive program to support the economic and social transformation of the New Independent States (NIS) of the former Soviet Union to free-market democracies. The \$14.9 million project consists of:

SABIT (Special American Business Internship Training): Funded through the Department of Commerce, the SABIT program places executives from the NIS in U.S. firms for internships of three to six months to provide firsthand experience of a market economy. The first group is scheduled to arrive in the United States from the NIS this fall.

Public Administration: Carried out currently by the U.S. Information Agency, this program trains top-level NIS officials in the principles and methods of Western governance, the rule of law and democratization. The first group, chiefs of staff from a number of NIS presidential offices, already has visited Washington and several state capitals to learn American methods of administration firsthand.

Business Development: Through the International Executive Service Corps (IESC), USAID provides technical assistance to help NIS commercial enterprises and selected government organizations enhance their business capabilities. IESC has opened an office in Kiev. Offices in Ekaterinburg and Khabarovsk in Russia; Alma-Ata, Kazakhstan; and Minsk, Byelarus, should open later this year.

Private Voluntary Organizations: The Agency is helping develop the institutional capacity of private voluntary organizations (PVOs) in the NIS to deliver basic human needs to at-risk populations. USAID also supports Citizens Democracy Corps efforts to link U.S. business groups and PVOs to NIS counterparts.

For further information, call Rick Marshall (202) 647-9950

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**NIS SPECIAL INITIATIVES PROJECT, 110-0001
BRIEFING MATERIAL**

Country/City	Project Activity
<p>Ukraine</p> <p>Kiev</p> <p>Kiev</p>	<p>SABIT - through U.S. Department of Commerce -- 3- to 6- month internships in U.S. for NIS scientists and executives</p>
	<p>RULE OF LAW - Interagency Agreement (IAA) with State/HA -- In-country seminar for judges at Russian Legal Academy</p>
	<p>CITIZEN DEMOCRACY CORPS (CDC) -- Assessment of Kiev for BEP completed</p>
	<p>GOVERNANCE TRAINING - IAA with U.S. Information Agency (USIA) -- Public Administration training to be provided through USIA</p>
	<p>PROJECT HOPE -- assistance with short-term childhood immunization requirements</p>
	<p>AMERICA HOUSE - through USIA -- America House facility to be opened in Kiev</p>
<p>Kazakhstan</p> <p>Alma Ata</p>	<p>SABIT - through U.S. Department of Commerce -- 3- to 6- month internships in U.S. for NIS scientists and executives</p>
	<p>GOVERNANCE TRAINING - IAA with USIA -- President Chief of Staff visited U.S. and U.S. advisors are placed in the field -- Public Administration training to be provided through USIA</p>
	<p>AMERICA HOUSE - through USIA -- America House facility to be opened in Alma Ata</p>
	<p>U.S.-ISRAELI COOPERATIVE PROGRAM -- Provision of technical assistance and training in Natural Resource Management, Food Production, Product and Market Development and Community Development (working through MASHAV)</p>

**NIS SPECIAL INITIATIVES PROJECT, 110-0001
BRIEFING MATERIAL**

Country	Project Activity
Armenia	<p>GOVERNANCE TRAINING - Interagency Agreement with U.S. Information Agency (USIA) -- President's Chief of Staff visited U.S. and U.S. advisor has been placed in the field. -- Grant made to Council of State Governments to provide public administration training programs.</p>
	<p>U.S.-ISRAELI COOPERATIVE PROGRAM -- Provision of technical assistance and training in Natural Resource Management, Food Production, Product and Market Development and Community Development (working through MASHAV)</p>
	<p>PROJECT HOPE -- possible assistance with short-term childhood immunization requirements (program inclusion to be determined)</p>
Kyrgyzstan	<p>GOVERNANCE TRAINING - IAA with USIA -- President's Chief of Staff visited U.S. and U.S. advisor has been placed in the field (program under consideration for Kyrgyzstan participation).</p>
	<p>U.S.-ISRAELI COOPERATIVE PROGRAM -- Provision of technical assistance and training in Natural Resource Management, Food Production, Product and Market Development and Community Development (working through MASHAV).</p>



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#92-54

June 30, 1992

USAID ENERGY PROGRAM IN THE NEW INDEPENDENT STATES (NIS) OF THE FORMER SOVIET UNION

The U.S. Agency for International Development (USAID) has allocated \$15.6 million to provide expert assistance in the area of energy to the New Independent States (NIS) of the former Soviet Union. The funds will support assistance in such fields as energy efficiency, civilian nuclear power plant safety, coal mine management and safety, electric power pricing and privatization, oil and gas production improvements and related environmental problems.

Energy Efficiency: In Kazakhstan, Russia, Byelarus, Armenia, Ukraine and Kyrgyzstan, U.S. engineers have inspected and tested energy use in selected district heating systems and identified American equipment to improve energy efficiency. By September, equipment will have been purchased and installed in time to reduce energy waste prior to the onset of winter.

Coal Mine Management & Safety: In July, U.S. specialists from both management and labor will begin providing advice on the management and privatization of coal mines in the Kuzbass and Vorkuta regions in Russia and the Karaganda Basin in Kazakhstan. A team of specialists is already in Ukraine providing assistance following a recent mining disaster in the Donbass region.

Nuclear Safety: With support from the Department of Energy and the Nuclear Regulatory Commission, USAID is fleshing out the nuclear safety initiative announced by Secretary Baker in Lisbon in May. It will focus on reducing the risk of accidents in aging Soviet-designed nuclear reactors while other ways are found to meet the demand for electricity. Hopefully this program will encourage the early decommissioning of the Chernobyl-type reactors that are still in use.

Electric Power Pricing & Privatization: A group of senior energy managers and engineers from Kazakhstan is visiting the United States to learn about the energy sector of the U.S. economy and its technology and products. They will be joined later in the three-week visit by a similar team from Kyrgyzstan.

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For further information, contact Rick Marshall (202) 647-9950 or 647-4274

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ENERGY EFFICIENCY and MARKET REFORM, 110-0002

Project Authorized: 1/92
Project Manager: Edvard Markeset, NIS/TF/EET
tel: 202/736-4408

LOP: \$ 67 million
Obligated: \$ 33 million
Expended:

Country/City	Project Activity
Russia	<p>Activities in the energy sector of Russia focus on policy and regulatory legislation reform, institutional structure, and assessment of both the oil/gas and power sectors. Three activities can be initiated in the near term through the existing cooperative agreement with USEA. These activities include: 1) Privatization and Asset Evaluation; 2) Regulatory Policy Development; and 3) M.I.S. for Russian European Energy Charter Center. In addition, activities in assessment of alternatives to aging nuclear power plants and identification of modernization options for oil refineries, including privatization can be initiated through existing contracts.</p> <p>Points of contact in the Ministry of Fuel and Energy include: Alexandre Evtouchenko, First Deputy Minister (Tel: 925-7464, Fax: 925-2153) through whom all other Deputies report; Anatoliy Djakov, Deputy Minister of the power sector (Tel: 220-5203); and Dr. Andrey Konoplyanik, Deputy Minister, who is in charge of foreign relations for the Ministry.</p>

**Energy Efficiency and Market Reform, 110-0002
BRIEFING MATERIALS**

Country/City	Project/Activity
Ukraine	<p>Gas Transit Activity: this activity is to provide an analysis of the gas transfer issue existing and proposed transit pipelines. Issues such as the Gas leaks, pipe coorosion, environmental degradation due to leakage etc., would be analyzed. The contact person is Mr. Ivan V. Ponomaryov, Director, Ukragazprom. (Tel: (044)226-3470, Fax: (044)228-3745).</p> <p>Disposal and treatment of the spent fuel from the Ukrainian nuclear power plants which have become a critical threat. If not resolved, this threat will reach proportion of a major crisis within three years. The Ukraine is seeking technical assistance in the resolution of spent fuel problems. The contact person is Mr. Boris Demidyuk, Vice President, Ukratomenergoprom. (Tel: (044)294-8454, Fax: (044)228-2439).</p> <p>It is recommended that if Scott Spangler wishes to visit a nuclear power plant, the best choice would be Khmel'nitskaya Nuclear Power Plant. The contact person is Mr. Viktor Sapronov, General Manager (Tel: (044)63350, Fax: (044)33360).</p>
Kazakhstan	<p>Two activities can be initiated relatively quickly in Kazakhstan through the cooperative agreement with USEA. They focus on electricity/coal/nuclear energy legislation reform and on a least cost power expansion plan.</p>

ENVIRONMENTAL RESTRUCTURING PROJECT, 110-0003

Project Manager: Dennis Long, NIS/TF/EET
tel: 202/736-4403

LOP: \$ 5 million

Country/City	Project Activity
Russia	<p>GOVERNMENT SECTOR: Quick Start-Ups: Russian Forest Policy Workshop with key decision-makers, Weyerhaeuser, World Bank, etc. (Oct. 1992). Next Steps: Provide technical assistance to legislative bodies and environmental, economic, and natural resources ministries--as well as policy analysts in academia--to help strengthen environmental management institutions and develop improved policies and regulations for environmental management consistent with broader economic restructuring efforts.</p> <hr/> <p>PRIVATE SECTOR: Quick Start-Ups:</p> <ul style="list-style-type: none"> - Magazine Supplement in <u>Business in the Ex-USSR</u> summarizing the role of American business in U.S. environmental management (October or November 1992 issue). - Environmental Liabilities Task Force conducting Washington and Moscow reviews of steps needed to reduce this important constraint to U.S. investment in the NIS (September/October 1992). <p>Next Steps: Emphasizing identification of needed investments as opposed to clean-up efforts, to conduct assessments of public and private environmental investment priorities and limited technology demonstrations which will facilitate the flow of commercial expertise and capital, stimulate multilateral bank investments, and test the efficacy of alternative policies and practices.</p>

**ENVIRONMENTAL RESTRUCTURING PROJECT, 110-0003
BRIEFING MATERIAL**

Country/City	Project Activity
	<p>NON-GOVERNMENTAL ORGANIZATIONS/MEDIA: Quick Start-Ups: August 1992 grant awarded under the NIS PVO project to help environmental NGOs improve their communications networks.</p> <p>Next Steps: Provide further support to environmental NGOs to strengthen their management structures and information bases so they may effectively carry out small-scale projects; and begin work with communications media which will broaden citizen awareness of environmental issues and problem-solving.</p>
Ukraine	<p>GOVERNMENT AND PRIVATE SECTOR: Next Step: The government of Ukraine has asked for assistance in the development of a water resources/use plan for the Dneipro River basin. Talks with the World Bank indicate an interest in our providing assistance in investment planning, similar to work EUR is doing on the Danube river basin.</p>
Kazakhstan	To be determined.



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OFFICE OF EXTERNAL AFFAIRS

#92-64

September, 1992

USAID HEALTH PROGRAM IN THE NEW INDEPENDENT STATES (NIS)

To date, the U.S. Agency for International Development (USAID) has allocated \$45 million to improve the health care system and provide emergency medical care and services in the New Independent States (NIS) of the former Soviet Union. Of this amount, \$15 million funds the activities described below. These activities build on the medical assistance initiative announced by President Bush in December 1990, and the January 1992 International Coordinating Conference on Assistance to the NIS.

Medical Partnerships: Managed by the American International Health Alliance, a consortium of major U.S. hospital associations, this USAID-funded program will establish partnerships with at least nine U.S. hospitals and comparable NIS institutions by the end of September 1992. Under a separate partnership announced in June, the Children's Hospitals of the King's Daughters of Norfolk, Virginia, is training Russian physicians and nurses from Moscow Children's Hospital Number One in neonatal care.

Reestablishing Pharmaceutical Production: As part of the Agency's efforts to address deteriorating vaccine production in the NIS, a U.S. government and private industry team studied six vaccine production facilities in the NIS in March. The team identified commodities, equipment and short-term technical assistance activities required to reestablish productive capacity at plants producing measles, polio and DPT (diphtheria, pertussis and tuberculosis) vaccines. The U.S. Food and Drug Administration is providing technical support in vaccine quality control regulation. Merck and Lederle, the two U.S. producers of these vaccines, are providing technical advice on production.

U.S. Trade and Investment Opportunities: USAID is working to help private American business establish commercial relations with the health sector in the NIS. The Department of Commerce, the Overseas Private Investment Corporation (OPIC), and the Trade and Development Program (TDP) will set up trade and investment missions, provide information and support feasibility studies on specific potential investment opportunities in the NIS.

See also separate Factsheet "USAID Emergency Programs" for information on health-related emergency assistance for the NIS. To date, \$30 million have been allocated for these activities, which include vaccination of children, shipments of medicines, medical supplies, and emergency response training.

For further information call Alan Zuschlag at (202) 647-9991

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HEALTH CARE IMPROVEMENT PROJECT, 110-0004

PROJECT TOTAL: LOP - \$45.5M

Project Authorized: 4/17/92
Project Manager: EUR/DR/HS, Jeremiah Norris
Room 4720 N.S.; Tel. No. 647-8940

I. Medical Partnerships: LOP - \$21.5M
II. Productive Capacity: LOP - \$12.0M
III. Health Trade, Invest.: LOP - \$12.0M

Country/City	Project Activity
AZERBAIJAN	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p> <p>No partnerships planned in CY 1992. A partnership will be established in 1993, pending country clearance and legal authority to conduct U.S. foreign assistance activities in Azerbaijan.</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p> <p>Medical Working Group experts delegation visited in March 1991. No activities currently planned.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total; \$400,000 for investor services and missions and \$600,000 for feasibility studies) the Overseas Private Investment Corporation (OPIC) has funding for four pre-investment feasibility studies in the NIS.</p> <p>OPIC will host a seminar in Washington, D.C. for the U.S. pharmaceutical industry on investment opportunities in Central Asia in December. An investment mission to Central Asia is being planned for Spring 1993.</p> <p>Technical assistance in health care financing is available to Azerbaijan under this component.</p>

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
UKRAINE	COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.
Odessa	Odessa Oblast Hospital – New York Health and Hospital Corporation (NYHHC)-Coney Island Hospital, Maimonides Medical Center (New York City)
Kiev	Kiev Medical University, Children's Hospital No. 1, Children's Hospital No. 2, Obstetrical and Gynecological Hospital No. 2 – University of Pennsylvania School of Medicine, Pennsylvania Hospital, Children's Hospital of Philadelphia, Hospital of the University of Pennsylvania
Lviv	A potential partnership is under consideration between the Hospital of the Lviv Medical Institute and the Kaiser Permanente Foundation (Cleveland, OH) and the Henry Ford Health System (Detroit, MI).
	COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.
	An industry audit of barriers to pharmaceutical production in Ukraine will be conducted beginning o/a October 25 and ending November 7. The purpose of the audit is to provide an assessment as to the type and level of assistance that would be needed in Ukraine to restore production capacity for pharmaceuticals, vaccines and medical supplies, and to provide assistance with stimulating foreign private investment in that sector.
	COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.

The Department of Commerce is exploring possibilities for a health industry trade mission to Ukraine.

Under an Inter-Agency Agreement (\$1.0 million NIS total; \$400,000 for investor services and missions and \$600,000 for feasibility studies) the Overseas Private Investment Corporation (OPIC) has funding for four pre-investment feasibility studies in the NIS (not Ukraine alone).

A team organized by the Health Care Financing Administration (HCFA) (NIS PASA totals \$112,000) visited Ukraine (10/3-14) to develop health financing initiatives which will contribute to market-oriented reform in the health care sector.

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
KAZAKHSTAN	COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.
Alma Ata	A partnership will be established in Kazakhstan by 1993. The First Aid Hospital in Alma Ata and the Kazakh Institute for Pediatrics have expressed an interest in working with the Tucson Medical Center in Tucson, Arizona.
	COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.
	Technical assistance regarding production of pharmaceuticals and medical supplies is available to Kazakhstan under this project.
	COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.
	Under an Inter-Agency Agreement (\$1.0 million NIS total; \$400,000 for investor services and missions and \$600,000 for feasibility studies) the Overseas Private Investment Corporation (OPIC) has funding for four pre-investment feasibility studies in the NIS (not Ukraine alone).
	OPIC will host a seminar in Washington, D.C. on December 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.
	Technical assistance in health care financing is available to Kazakhstan under this component.

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
ARMENIA	COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.
Yerevan	Diagnostica (Yerevan) -- Intermountain Health Care (Salt Lake City, Utah).
Yerevan	Emergency Hospital and Erebum Hospital (Yerevan) -- The Boston University School of Medicine, Boston City Hospital, and Beth Israel Hospital (Boston, MA)
	COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.
	No actions currently planned, but will have access to training and technical assistance if needed.
	COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.
	OPIC investment promotion visit to develop company profiles, 7/92.
	OPIC will host a seminar in Washington, D.C. on December 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
<p>KYRGYZSTAN</p> <p align="center">Bishkek</p>	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p>
	<p>Bishkek Institute of Obstetrics and Pediatrics, Bishkek Institute of Oncology and Radiology; Bishkek, Kyrgyzstan -- Kansas University Medical Center</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p>
	<p>No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
<p>OPIC will host a seminar in Washington, D.C. on December 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.</p>	

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
MOLDOVA	COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.
	A partnership proposal from Millard Fillmore Hospital of Buffalo, NY is under consideration.
	COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.
	No actions currently planned, but will have access to training and technical assistance if needed.
	COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.
	OPIC will host a seminar in Washington, D.C. on December 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
<p>BELARUS</p> <p>Minsk</p>	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p>
	<p>A partnership between Minsk Children's Hospital #4 and Children's Hospital of Pittsburgh will be established by 1993.</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p>
	<p>No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total, \$600,000 for feasibility studies) the Overseas Private Investment Corporation (OPIC) has funding for four pre-investment feasibility studies in the NIS (not Belarus alone).</p>
	<p>Depending on post receptivity, Commerce is considering possibilities for a health industry trade mission to Belarus.</p>

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
RUSSIA	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p> <p>Moscow A. Moscow Children's Hospital No. 1 and Children's Health System, Inc., Children's Hospital of the King's Daughters (Norfolk, VA)</p> <p>Dubna B. Municipal Hospital No. 9, Hospital No. 166 and Bolshaia Volga Hospital (Dubna Russia) -- Lutheran Hospital, Franciscan Health System (La Crosse, WI)</p> <p>Murmansk C. Murmansk Regional Hospital, City Ambulance Center -- St. Vincent's Medical Center, Memorial Regional Medical Center (Jacksonville, FL)</p> <p>Moscow D. Pirogov First Municipal Hospital (Moscow) -- Brigham and Women's Hospital (Boston, MA)</p> <p>Moscow E. Savior Hospital (Moscow) -- Miramed Institute and Magee-Women's Hospital (Pittsburgh, PA)</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY: Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p>
	<p>A Memorandum of Agreement (MOA) was signed 10/1 by Ambassador Strauss and Deputy Chairman Zhitnikov to provide support for vaccine production in Russia, as well as for the Russian regulatory agency for vaccine production, the Tarassevich Institute. The MOA states that the support to be provided, through the U.S. entities, is "at least \$1.0 million." The actual amount is still under negotiation and is likely to be much greater.</p> <p>Two separate grant agreements with the U.S. pharmaceutical firms Merck and Lederle were signed on 9/30. From 10/2 -10/12, Merck conducted a follow-up to the March vaccine production audit.</p> <p>A PASA for \$900,000 with the U.S. Food and Drug Administration was signed 9/22 to help restore immediate capacity to produce vaccines, to provide limited training to scientists involved in Russian vaccine production, and to help establish Good Manufacturing Practices (GMP).</p>

COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES: To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.

Under an Inter-Agency Agreement (\$208,000, NIS total), the Department of Commerce sent a health industry trade mission to Russia and Tatarstan from 10/11 through 10/19. Commerce will conduct business roundtables in North Carolina (January 1993) and California (February 1993) to publicize opportunities identified and promote trade.

Under an Inter-Agency Agreement (\$1.0 million, NIS total), the Overseas Private Investment Corporation (OPIC) has funding for four pre-investment feasibility studies in the NIS (not Russia alone).

Under an Inter-Agency Agreement (\$1.0 million, NIS total), the Trade and Development Program (TDP) has funding for three feasibility studies for investments which will increase U.S. trade with the NIS (not Russia alone). TDP has arranged for two definitional missions. The first is currently in Russia; it will examine the possibility of a feasibility study on pharmaceutical distribution enterprises. The second will focus on international market niches for U.S.-Russian ventures, such as bulk chemical production.

TDP approved its first feasibility study agreement with Eli Lilly for a bulk filling facility for insulin in Electrogorsk, Russia. This will involve conversion of an existing defense-related facility. It is conditional on agreements with the Russian government regarding hard currency guarantees for the project.

A team organized by the Health Care Financing Administration (HCFA) (NIS PASA totals \$112,000) visited Russia (10/12-21) to develop health financing initiatives which will contribute to market-oriented reform in the health care sector.

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
<p>GEORGIA</p> <p>Tbilisi</p>	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p>
	<p>Tbilisi City Hospital No. 2, State Medical Institute of Tbilisi –Grady Memorial Hospital, Emory University School of Medicine, Morehouse School of Medicine (Atlanta, Georgia).</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p> <p>No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total; \$600,000 for feasibility studies, \$400,000 for investor services and missions), the Overseas Private Investment Corporation (OPIC) is focusing its health industry investment promotion activities on Central Asia and the Caucasus.</p>
	<p>Seminar schedule for December, 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.</p> <p>Technical assistance in health care financing is available to Georgia under this component.</p>

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
<p>TAJIKISTAN</p> <p>Dushanbe</p>	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p> <p>A partnership will be established by 1993, pending country clearance. A proposal has been submitted for funding by Boulder Community Hospital (Boulder, CO), Dushanbe's Sister City.</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p> <p>No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total; \$600,000 for feasibility studies, \$400,000 for investor services and missions), the Overseas Private Investment Corporation (OPIC) is focusing its health industry investment promotion activities on Central Asia and the Caucasus. OPIC will host a seminar in Washington, D.C. for the U.S. pharmaceutical industry on investment opportunities in Central Asia in December. An investment mission to Central Asia is being planned for Spring 1993.</p>
	<p>Technical assistance in health care financing is available to Tajikistan under this component.</p>

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
TURKMENISTAN	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology. A partnership will be established in CY 1993, pending country clearance.</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies. No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total; \$600,000 for feasibility studies, \$400,000 for investor services and missions), the Overseas Private Investment Corporation (OPIC) is focusing its health industry investment promotion activities on Central Asia and the Caucasus. OPIC will host a seminar in Washington, D.C. for the U.S. pharmaceutical industry on investment opportunities in Central Asia in December. An investment mission to Central Asia is being planned for Spring 1993.</p>
	<p>Technical assistance in health care financing is available to Turkmenistan under this component.</p>

HEALTH CARE IMPROVEMENT PROJECT, 110-0004

Country/City	Project Activity
<p>UZBEKISTAN</p> <p>Tashkent</p>	<p>COMPONENT 1: MEDICAL PARTNERSHIPS - Links U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology.</p> <p>Tashmien Medical Institute No. 2 – Northwest Hospital (Seattle, WA) and University of Illinois Hospital (Chicago, IL).</p>
	<p>COMPONENT 2: REESTABLISHING PRODUCTIVE CAPACITY - Targeted interventions aimed at improving the systems for producing and delivering medicines, vaccines, and medical supplies.</p> <p>No actions currently planned, but will have access to training and technical assistance if needed.</p>
	<p>COMPONENT 3: EXPANDING HEALTH TRADE, INVESTMENT AND ALTERNATIVES - To encourage U.S. private business trade and investment in the health sectors of the NIS; enhance private sector participation in the production of health care inputs and the provision of services; develop alternative systems for providing and financing health care which will attract private investment.</p>
	<p>Under an Inter-Agency Agreement (\$1.0 million NIS total; \$600,000 for feasibility studies, \$400,000 for investor services and missions), the Overseas Private Investment Corporation (OPIC) is focusing its health industry investment promotion activities on Central Asia and the Caucasus.</p>
	<p>OPIC will host a seminar in Washington, D.C. on December 10-11 for the U.S. pharmaceutical industry on investment opportunities in Central Asia. Invitations have been extended to three representatives to attend the December seminar and to participate in training sessions immediately following. An investment mission to Central Asia is being planned for Spring 1993.</p>
	<p>Technical assistance in health care financing is available to Uzbekistan under this component.</p>



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

FACTSHEET

WASHINGTON, DC 20523

OFFICE OF EXTERNAL AFFAIRS

#92-63

July, 1992

USAID PRIVATE SECTOR INITIATIVES/DEFENSE CONVERSION IN THE NEW INDEPENDENT STATES (NIS)

In April 1992, the U.S. Agency for International Development (USAID) allocated \$12.5 million to support the economic transformation of the New Independent States (NIS) of the former Soviet Union. The program focuses on converting industry in the NIS to civilian production, providing technical assistance to republic and local governments on privatization questions and assisting U.S. businesses in establishing a presence in the NIS.

Defense Conversion: A major objective of USAID's assistance to the NIS is the demilitarization of NIS economies. As an initial step, USAID is fielding resident advisers in the NIS through the International Executive Service Corps (IESC). The first teams have been in Russia and Ukraine since May, where they are providing technical advice to local officials on converting production to the civilian sector and identifying prerequisites for U.S. business engagement. Similar operations will soon begin in Kazakhstan.

Privatization: USAID is supporting NIS government and local authorities in the privatization of state-owned enterprises. The Agency has provided funds to the World Bank's International Finance Corporation to expand its program of auctioning municipally owned enterprises in Volgograd, Russia, and Lviv, Ukraine. This program will be used as a model for auctions elsewhere in the NIS. USAID also provides U.S.-procured equipment for the Russian Ministry of Privatization. In addition, USAID-funded specialists are assisting Uzbekistan, Kazakhstan and Kyrgyzstan in preparing privatization plans.

U.S. Trade and Investment: Through an agreement with the Department of Commerce, USAID has funded the NIS Business Information Center, which opened in June. USAID also is helping Commerce establish a consortium of U.S. trade associations in the NIS. In addition, the Agency is funding NIS investment missions with the Overseas Private Investment Corporation. USAID also is funding the drafting of feasibility studies to support U.S. business opportunities in the NIS via an agreement with the Trade and Development Program.

For further information, call Laurier Mailloux at (202) 736-4416

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PRIVATE SECTOR INITIATIVES, 110-0005

Project Authorized: 4/92
Project Manager: Greg Huger
tel: 202/736-4410

LOP: \$ 47 million
Obligated: \$17.6 million

Country/City	Project Activity
Russia	Privatization - Two contracts have been executed to support the mass privatization program in Russia. Price Waterhouse will coordinate U.S. privatization specialists to develop plans for specific enterprises to foster effective transfer to private ownership. Sawyer Miller will field a team of American advisors to work on public education issues in support of the Russian State Privatization Committee's massive voucher campaign and other privatization programs.
Nizhny Novgorod	The International Finance Corporation (IFC) has initiated a small scale privatization program in Nizhny Novgorod. The program may be expanded to other cities in the NIS.
	The Overseas Private Investment Corporation (OPIC) program will include: 1) investment missions; 2) smaller "executive" missions for selected U.S. business leaders in targeted sectors; 3) specialized reconnaissance trips to assess targeted sectors; 4) seminars and conferences for U.S. companies on the investment climate and opportunities in the NIS; 5) an information bank on investment opportunities, legislation, regulations, etc.
Washington, DC	A Department of Commerce Business Information Center has been established to serve as a clearinghouse for information on commercial opportunities in the NIS. The Center helps match interested U.S. firms with enterprises in the NIS and will serve as a source of information on USG programs and on the activities of private voluntary organizations. Contact: Ceasar Gonzmar, tel: 202/663-2668 or -2680
	The Trade and Development Program (TDP) will conduct feasibility studies to determine the technical, economic, and financial feasibility of major projects to help insure maximum effectiveness.
Moscow, Khabarovsk Yekaterinburg St. Petersburg Saratov	The International Executive Service Corps (IESC) has established a Country Director program to provide technical assistance to indigenous enterprises and organization. Office representatives are either operating or expected soon in these cities.
Nizhny Novgorod Yekaterinburg	Defense Conversion - A team of three IESC long term defense conversion advisors are in Nizhny Novgorod providing advice and guidance to local governments and enterprises to support the successful adjustment from military to civilian-based production. An advisor is scheduled to begin work in Yekaterinburg in November.

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**PRIVATE SECTOR INITIATIVES, 110-0005
BRIEFING MATERIAL**

Country/City	Project Activity
Ukraine	Privatization - The Overseas Private Investment Corporation (OPIC) program will include: 1) investment missions; 2) smaller "executive" missions for selected U.S. business leaders in targeted sectors; 3) specialized reconnaissance trips to assess targeted sectors; 4) seminars and conferences for U.S. companies on the investment climate and opportunities in the NIS; 5) an information bank on investment opportunities, legislation, regulations, etc.
Washington, DC	A Department of Commerce Business Information Center has been established to serve as a clearinghouse for information on commercial opportunities in the NIS. The Center helps match interested U.S. firms with enterprises in the NIS and will serve as a source of information on USG programs and on the activities of private voluntary organizations. Contact: Ceasar Gonzmar, tel:
	The Trade and Development Program (TDP) will conduct feasibility studies to determine the technical, economic, and financial feasibility of major projects to help insure maximum effectiveness.
Kiev Odessa, Lviv Kharkov	The International Executive Service Corps (IESC) has established a Country Director program to provide technical assistance to indigenous enterprises and organization. The office director in Kiev is Don Wynnyczok. Representatives should arrive in the other locations by early next year.
Kharkov	Defense Conversion - A team of three IESC defense conversion advisors are in Kharkov to provide support for the successful adjustment from military to civilian-based production.

**PRIVATE SECTOR INITIATIVES, 110-0005
BRIEFING MATERIAL**

Country/City	Project Activity
Kazakhstan	Privatization - The Overseas Private Investment Corporation (OPIC) program will include: 1) investment missions; 2) smaller "executive" missions for selected U.S. business leaders in targeted sectors; 3) specialized reconnaissance trips to assess targeted sectors; 4) seminars and conferences for U.S. companies on the investment climate and opportunities in the NIS; 5) an information bank on investment opportunities, legislation, regulations, etc.
Washington, DC	A Department of Commerce Business Information Center has been established to serve as a clearinghouse for information on commercial opportunities in the NIS. The Center helps match interested U.S. firms with enterprises in the NIS and will serve as a source of information on USG programs and on the activities of private voluntary organizations. Contact: Ceasar Gonzmar, tel:
	The Trade and Development Program (TDP) will conduct feasibility studies to determine the technical, economic, and financial feasibility of major projects to help insure maximum effectiveness.
Alma Ata	An IESC Country Director office is currently being established in Alma Ata to provide technical assistance to enterprises and organizations.
Alma Ata	Defense Conversion - An IESC defense conversion advisor is scheduled to begin work shortly in Alma Ata in conjunction with the IECD Country Director program there.



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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OFFICE OF EXTERNAL AFFAIRS

#92-66

July, 1992

USAID FOOD SYSTEMS RESTRUCTURING PROGRAM FOR THE NEW INDEPENDENT STATES (NIS)

The U.S. Agency for International Development (USAID) has allocated \$6 million to support efforts by the people of the New Independent States (NIS) of the former Soviet Union to develop market-based food production and distribution systems.

Private Sector Development: USAID works with U.S. agribusiness and the emerging private sector in the NIS to improve the efficiency of agricultural input, and processing and marketing systems, drawing heavily on U.S. expertise in designing and carrying out its activities.

Foods and Feed Grains Storage: Improving storage capability for perishable foods and feed grains should help the NIS republics provide their people with a stable and secure food supply. USAID, working in cooperation with Kansas State University and the University of Idaho's Postharvest Institute for Perishables, has funded two teams of specialists to work with Ukrainian and Russian farmers on potato and grain storage techniques. A training and technical assistance program will follow.

Armenian Extension Services: Under an agreement with the Extension Service of the U.S. Department of Agriculture, USAID provides funding for long-term agricultural specialists in the Republic of Armenia. Two Extension Service advisers will assist the Armenian Ministry of Agriculture in legislative, staffing and regulatory policy. They also will work to facilitate U.S. and Armenian agribusiness ventures and develop training materials and programs in agribusiness development, farm management and marketing.

Farmer-to-Farmer: This volunteer program links U.S. farmers and agribusiness organizations to private farmers and farm groups in the former Soviet republics. Twenty-three short-term volunteers have traveled to Russia, Kazakhstan and Ukraine, where they have worked to set up private farm enterprises, agribusiness opportunities, and credit systems and recommended improvements in the food distribution system.

For more information, call Mike Korin, at (202) 736-4415

FOOD SYSTEMS RESTRUCTURING PROGRAM, 110-0006

Project Authorized: 5/92, amended 8/92

LOP: \$ 25 million

Project Manager: Michael Korin

Obligated: \$ 3.8 million

tel: 202/736-4415

Country/City	Project Activity
Russia	<p>Storage - Designed to identify ways to help reduce losses of domestically produced food and feed. Grants have been awarded to the Kansas State University Food and Feed Grains Institute (FFGI) and the University of Idaho Postharvest Institute for Perishables (PIP). Teams have travelled to Russia and made recommendations for continuing technical assistance. Additional grants have been provided to implement assistance in the food and feed storage sector.</p>
	<p>Agribusiness - Working with U.S. agribusinesses and the emerging private sector in Russia to improve the efficiency of agricultural input, and processing and marketing systems, drawing heavily in U.S. expertise in designing and implementing activities.</p>
Ukraine	<p>Storage - FFGI and PIP teams travelled to Ukraine and made recommendations for technical assistance activities in the harvest, storage and distribution areas.</p>
	<p>Agribusiness - Ukraine will also benefit from increased cooperation between U.S. agribusiness and NIS counterparts.</p>
Kazakhstan	<p>Agribusiness - U.S. agribusiness concerns will work with the emerging agribusiness sector in Kazakhstan.</p>
Armenia	<p>Extension Services - Through a grant with the U.S. Department of Agriculture, long-term agricultural specialists will work in Armenia.</p>

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FACTSHEET

WASHINGTON, DC 20523

OFFICE OF EXTERNAL AFFAIRS

#92-68

July, 1992

DEMOCRATIC PLURALISM INITIATIVES IN THE NEW INDEPENDENT STATES (NIS)

The U.S. Agency for International Development (USAID) has provided \$8 million for a project, approved in April, to assist the New Independent States (NIS) of the former Soviet Union in their political and social transformation from one-party, centralized regimes to pluralistic democracies. The project covers four areas:

Political and Social Processes: USAID provides for political party development, election support and monitoring, independent labor union development, and civic education. Initial grants to the International Republican Institute and the National Democratic Institute have been awarded. An election monitoring team went to Azerbaijan for the June 7 presidential elections. Representatives are working with political parties and civic organizations in Russia, Ukraine and Central Asia.

Independent Media: The Agency supports independent press, television and radio through training, technical assistance and equipment. A grant to a non-profit media organization, Internews, will establish an independent television news distribution system in the NIS, with training for journalists and station managers in current techniques. A grant to the Independent Media Fund to foster independent radio, press and television in Ukraine should be in place by the Fall.

Rule of Law: A grant to the American Bar Association (ABA) is providing assistance to NIS governments in drafting new legislation and new constitutions. The program also places legal advisers in country to respond to requests for legal assistance and trains judges, lawyers and law school faculty in rule of law principles. An ABA delegation visited Armenia to help draft a new constitution, and other ABA teams are to travel to the NIS this summer on similar assignments. More than 20 high-level legal officials and judges from 11 of the NIS attended a three-week seminar in the U.S. where senior judges, attorneys and law professors discussed the American judicial system.

Democratic Governance and Public Administration: Working at the national, regional and local levels, this USAID program is designed to make public sector institutions in the NIS more responsive to the citizens they serve. Emphasis is on decentralization of power.

For further information, contact Mary Ann Riegelman (202) 647-7237 or Jeanne Bourgault (202) 736-4267

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NIS DEMOCRATIC PLURALISM INITIATIVES PROJECT, 110-0007

Project Authorized: 4/92

Project Manager: Mary Ann Riegelman, NIS/TF/DIHR
tel: 202/647-2246

LOP: \$ 25 million

Obligated: \$ 6.12 million

Expended: \$.53 million

Country/City	Project Activity
Russia	<p>Election Support and Monitoring - Grants to the International Republican Institute (IRI), National Democratic Institute (NDI), and International Foundation for Electoral Systems (IFES)</p> <ul style="list-style-type: none"> - In-country assistance for election support and monitoring activities available if necessary.
Moscow	<p>Political Party and Civic Organization Development - NDI and IRI</p> <ul style="list-style-type: none"> - NDI to place three field representatives in Moscow to provide day-to-day access to assistance and information. Field office opened June 19, 1992. Contact: Greg Minjack or Joshua Freeman tel: 095-238-5684. - NDI will hold seminars on the following topics: local government reform, political party development, civic group development. - IRI to place one field representative in Moscow. Field office is scheduled to open in November, 1992. - IRI to hold a conference focusing on the development of the organizational and political skills of women.
Voronezh, Kazan	<ul style="list-style-type: none"> - IRI will provide political party training and infrastructure assistance at the local level.
Moscow	<p>Labor Union Development - Grant to the Free Trade Union Institute (FTUI) of the AFL-CIO.</p> <ul style="list-style-type: none"> - FTUI will establish an Institute for Research and Education to provide access to information and training for independent labor unions.
Moscow	<p>Independent Media - Grant to Internews Network</p> <ul style="list-style-type: none"> - Internews is facilitating the creation of a network of independent television stations across Russia, Ukraine and Kazakhstan. - Moscow office opened September 1, 1992. Contact: Vince Malgren tel: 095-156-2693.
Nizhny-Novgorod, Volgograd	<ul style="list-style-type: none"> - Internews is enhancing the independent network through the provision of training for journalists and station managers.

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	<p>Rule of Law - Grant to the American Bar Association (ABA)</p> <ul style="list-style-type: none"> - On a request basis, provides assistance in drafting legislation and constitutions.
Moscow	<ul style="list-style-type: none"> - Field representatives placed in Moscow in June, 1992. Contacts: Marian Dent and Mathew Mosner tel: 095-152-9330.
Moscow	<ul style="list-style-type: none"> - Provides training to judges, lawyers, and law school faculty in rule of law principles.
Moscow	<ul style="list-style-type: none"> - Workshop on judicial restructuring and constitutional reform planned.
	<p>Civil Military Relations - Grant to the Atlantic Council</p> <ul style="list-style-type: none"> - To conduct a training program on civil military relations with emphasis on civilian oversight and accountability of the military.

Byelarus

Election Support and Monitoring - Grants to the International Republican Institute (IRI), National Democratic Institute (NDI), and International Foundation for Electoral Systems (IFES)

- In-country assistance for election support and monitoring activities available if necessary.
- Pre-election assessment to be completed by IFES.
- Placement of project manager to coordinate technical assistance, training seminars, and procurement of production commodities by IFES prior to a scheduled election.

Rule of Law - Grant to the American Bar Association (ABA)

- On a request basis, provides assistance in drafting legislation and constitutions.
 - ABA Program Liaison to arrive in Minsk on October 23, 1992.
- Contact: Cheryl Fackler Hug tel: not yet available.
- Workshop on judicial restructuring and constitutional reform planned.

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**NIS DEMOCRATIC PLURALISM INITIATIVES PROJECT, 110-0007
BRIEFING MATERIAL**

Country/City	Project Activity
<p>Central Asian Republics</p> <p>Tajikistan</p> <p>Kazakhstan</p> <p>Uzbekistan</p> <p>Kazakhstan</p> <p>Kazakhstan</p>	<p>Election Support and Monitoring - Grants with International Republican Institute (IRI), National Democratic Institute (NDI), and International Foundation for Electoral Systems (IFES)</p> <ul style="list-style-type: none"> - In-country assistance for election support and monitoring activities available if necessary. - Assessment of Tajikistan's electoral process by IFES.
	<p>Political Party and Civic Organization Development - NDI and IRI</p> <ul style="list-style-type: none"> - NDI will conduct seminars for participants from all five republics, focussing on citizen participation in the following topics: constitutions, elections, political party law and party charters. - IRI intends to focus on political party development in Kazakhstan and Kyrgyzstan, and young political leaders in Uzbekistan, Tajikistan, and Turkmenistan. - IRI to place field representative in Alma-Ata, office to open November 5, 1992. Contact: Eric Rudenshiold tel: not yet available. - NDI to place field representative in Tashkent to provide day-to-day access to assistance and information. Field office to open in October, 1992. Contact: James Chavin tel: not yet available.
	<p>Labor Union Development - Grant to the Free Trade Union Institute (FTUI) of the AFL-CIO</p> <ul style="list-style-type: none"> - FTUI will establish a Center for Democracy, Labor, and Human Rights to provide linkage between democratic labor movement and human rights.
	<p>Independent Media - Grant to Internews</p> <ul style="list-style-type: none"> - Internews is facilitating the creation of a network of independent television stations across Russia, Ukraine and Kazakhstan. - Internews is enhancing the independent network through the provision of training for journalists and station managers.

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**NIS DEMOCRATIC PLURALISM INITIATIVES PROJECT, 110-0007
BRIEFING MATERIAL**

Country/City	Project Activity
Kyrgyzstan	<p>Rule of Law - Grant to the American Bar Association (ABA)</p> <ul style="list-style-type: none">- On a request basis, provides assistance in drafting legislation and constitutions.- Provides training to judges, lawyers, and law school faculty in rule of law principles.- Legal Advisor arrived in Kyrgyzstan on October 12 for the period of one month to assist efforts in constitutional reform and to launch ABA activities in country.
Kazakhstan	

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**NIS DEMOCRATIC PLURALISM INITIATIVES PROJECT, 110-0007
BRIEFING MATERIAL**

Country/City	Project Activity
Georgia	<p>Election Support and Monitoring - Grants to the National Democratic Institute, the International Republican Institute (IRI) and International Foundation for Electoral Systems (IFES)</p> <ul style="list-style-type: none"> - Pre-election assessment for October 11 Parliamentary election completed by IFES in July, 1992. - IFES placed a project manager to coordinate technical assistance to the Central Election Commission from August 1992 through the October 11 elections. - Provision of training seminars, production of Georgian language pollworkers handbook, and procurement of production commodities by IFES. - An international election monitoring team, organized by NDI, travelled to Georgia to monitor the October 11 elections. NDI also provided limited pre-election training to political parties and civic organizations in preparation for the election. - IRI plans to conduct post-election workshops for political parties and civic organizations.
Azerbaijan	<p>Election Support and Monitoring - Grant to the International Republican Institute (IRI)</p> <ul style="list-style-type: none"> - Provided elections monitoring assistance for June 7th Presidential election. <p>Rule of Law - Grant to the American Bar Association (ABA)</p> <ul style="list-style-type: none"> - On a request basis, provides assistance in drafting legislation and constitutions. - Provided an on-site assessment of current state of legal reform.
Armenia	<p>Election Support and Monitoring - Grants to the International Republican Institute (IRI), National Democratic Institute (NDI), and International Foundation for Electoral Systems (IFES)</p> <ul style="list-style-type: none"> - In-country assistance for election support and monitoring activities available if necessary. <p>Rule of Law - Grant to the American Bar Association (ABA)</p> <ul style="list-style-type: none"> - On a request basis, provide assistance in drafting legislation and constitutions. - Field representative to be placed in Yerevan in the fall, 1992. - Workshop on judicial restructuring and constitutional reform planned.



FACTSHEET

WASHINGTON, DC 20523

OFFICE OF EXTERNAL AFFAIRS

#92-67

July, 1992

USAID HOUSING REFORM PROGRAM IN THE NEW INDEPENDENT STATES (NIS)

To support the development of a market-oriented housing sector in the New Independent States (NIS) of the former Soviet Union, the U.S. Agency for International Development (USAID) has allocated \$5 million to provide technical assistance. Long-term resident advisers and short-term specialists will provide technical assistance to municipal and republic level governments.

The program currently targets the governments of Russia, Ukraine, Armenia and Kazakhstan, as well as the cities of Moscow, Ekaterinberg and Novosibirsk in Russia, Kharkov and Kiev in Ukraine, Yerevan in Armenia and Alma-Ata and Karaganda in Kazakhstan. Additional republics and cities may be added to the program at a later date.

Long-Term Resident Advisers: Of the 12 long-term advisers placed in the field under renewable two-year contracts, four are assisting republic governments, and eight, selected municipalities. All 12 advisers should be in the field by September, working in such areas as legal and regulatory reform, new housing, land and housing policy, divestiture of publicly-owned rental housing stock, and privatization of rental housing management.

Short-term Advisers: A network of short-term specialists will support the long-term advisers. The first short-term advisers already have begun providing assistance in property valuation and taxes, housing reform and privatization legislation and rental housing management at various locations in the NIS. They also will work in land use regulations, rental and sale price structures for public housing, and infrastructure financing.

Training and U.S. Trade Association Programs: The Agency is funding U.S. trade associations to assist the NIS republics in developing their own indigenous private sector housing associations and institutions. Training of housing and urban development professionals from the NIS states also is planned.

For further information, call Sean Walsh at (202) 663-2530

HOUSING SECTOR REFORM, 110-0008

Country/City	Project Activity
Ukraine	HOUSING POLICY -- A program agreement was drafted late September that identified four areas for technical assistance to Ukraine: (1) legal and institutional framework to create and implement private land and building markets, (2) privatization of existing housing, (3) privatization of land, and (4) local government finance. A resident advisor will be placed in Kiev to manage these activities.
Kharkov	REFORM OF LAND DEVELOPMENT CONTROLS -- Resident advisor and short-term TA to assist the City of Kharkov in comprehensively revising land development controls and procedures in order to enable the private sector to invest in the necessary expansion of the housing stock. Other priority areas of technical assistance to the City of Kharkov will be identified this fall.

HOUSING SECTOR REFORM, 110-0008

Country/City	Project Activity
Armenia	HOUSING POLICY REFORM -- Resident advisor and short-term TA to the Republic of Armenia in privatizing the development, financing, ownership, and management of housing. Specific areas for assistance over the next year will be identified in October. Initial focus is assistance in developing appropriate laws and regulations. Contact: Steve Anlian
Yerevan	MUNICIPAL MANAGEMENT\HOUSING PRIVATIZATION -- Resident advisor to the City of Yerevan. Areas of assistance will include municipal finance and privatization of the city-owned housing stock.

Kazakhstan Alma Ata Karaganda	HOUSING POLICY REFORM -- Resident advisors will be placed in Alma Ata and Karanganda to assist city authorities in the privatization of municipal housing and to provide broad policy guidance on creating the conditions necessary for the private sector to play the dominant role in addressing housing needs. Work programs identifying specific areas for assistance during the next six months will be developed shortly.
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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

FACTSHEET

WASHINGTON, DC 20523

OFFICE OF EXTERNAL AFFAIRS

#92-65

July, 1992

ECONOMIC RESTRUCTURING/FINANCIAL SECTOR REFORM PROGRAM

IN THE NEW INDEPENDENT STATES (NIS)

To begin helping the New Independent States of the former Soviet Union to transform their command economies to market-based systems, the U.S. Agency for International Development (USAID) allocated an initial sum of \$4 million in June 1992.

The program provides technical advice on government finance, foreign exchange, trade policy, and banking sector reform. USAID advisers will be in the NIS this summer to meet with host country officials and specialists and identify activities for future cooperation in support of economic and financial sector reform.

Following is a summary of the initial phase of the program:

Finance Ministry Advisers: In conjunction with the U.S. Treasury Department, USAID is funding advisers to work with NIS finance ministries in areas such as tax policy, administration and compliance; budget and customs; public debt; and relations with the international financial institutions. Tax advisory services have been provided to the Ukrainian and Russian finance ministries. USAID will soon place resident advisers in Russia, Ukraine and Kazakhstan and will continue to provide other short-term advisory services.

Central Bank Advisers: At the invitation of the chairman of the Ukrainian National Bank, two advisers traveled to Ukraine in June. In Kiev, they worked with National Bank officials on questions involving the introduction of a Ukrainian currency. Resident advisers will be placed in Russia, Ukraine and Byelarus, and short-term advisory services to these countries will continue.

For more information, call Jane Bardon at (202) 647-2808

ECONOMIC RESTRUCTURING and FINANCIAL SECTOR REFORM, 110-0009

Project Authorized: 6/92

LOP: \$ 18 million

Project Manager: Jane Bardon, NIS/TF/ER

Obligated: \$ 4 million

tel: 202/647-2808

Country/City	Project Activity
Russia	<p>Finance Ministry Advisors - Through IAA with Treasury Department, advisors will work with NIS finance ministries on tax policy, administration and compliance, budget and customs, public debt and relations with international financial institutions. Short-term tax and currency advisors have travelled to Russia, and one long-term tax advisor has been selected.</p> <p>Central Bank Advisors - One resident U.S. advisor to assist Russian Central Bank officials.</p>

Ukraine	<p>Finance Ministry Advisors - Short-term tax and currency advisors have travelled to Ukraine and a long-term tax advisor has been identified.</p> <p>Central Bank Advisors - One resident U.S. advisor assisted National Bank officials.</p>
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Kazakhstan	<p>Central Bank Advisors - One long-term Finance Ministry and one Central Bank advisor have been identified for Kazakhstan.</p>
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A.I.D. FY 1992 NIS ASSISTANCE PACKAGE
Including Project Descriptions & Funding Levels

Economic Support Funds (ESF)

Planned OYB	Obligated	LOP	Project	Project Description
Million \$				
110-0001 NIS Initiative (formerly Democratic/Economic Initiative) - authorized 3/27/92				
2.0	2.0	2.0	Special American Business Internship Training Program (SABIT)	U.S. training (through Dept. of Commerce) for mid- and senior-level business managers and scientists from the NIS through internships with U.S. companies.
2.4	2.4	2.4	Public Administration (USIA)	U.S. training of government officials from the NIS in principles of governance, rule of law, and democratization.
3.7	.5	3.7	International Executive Service Corps (IESC)	Technical assistance from business executive volunteers to directly assist business enterprises and selected government entities in the NIS in improving business and management practices.
1.65	1.2	2.7	Citizens Democracy Corps (CDC)	Support for operations of this networking organization which links up private U.S. business groups and PVO's with NIS counterparts.
9.0	4.0	9.0	PVO Development	Aimed at developing the institutional capacity of private voluntary organizations (PVOs) in the NIS to deliver basic human needs to at-risk populations. Links U.S. PVOs to NIS counterparts.
1.0	.8	1.0	Rule of Law, Housing, and Health start-up	Initial funding for activities carried out through projects described below.
5.23	5.02	5.23	Emergency Immunization Program	(DA funds) Emergency vaccination program in selected states of the NIS, beginning in summer 1992.
3.0	0	3.0	America Houses	
1.3	0	1.3	University Development	
7.0	0	7.0	U.S.-Turkey Joint Projects	
4.0	0	4.0	U.S.-Israel Joint Projects	
15.0	0	15.0	Special Agricultural Commodity Assistance (Dairy)	

Planned OYB	Obligated	LOP	Project	Project Description
Million \$				
.362	0	.362	OECD Technical Assistance	
3.3	.5	3.3	Program Dev. & Support	Design work associated with FY 1992 and 1993 programs.
53.712*	11.4	60.0	subtotal *(excludes DA funding, 5.23 million)	
110-0002 Energy Efficiency and Market Reform - authorized 1/21/92				
5.3	1.9	8.5	Efficiency & Performance Improvement	Technical assistance, training, and equipment to move the energy sector toward a market economy. Includes institutional reform, as well as an initial focus on improvement in selected district heating systems.
5.0	1.86	8.5	Production and Delivery Systems	Improve production of existing coal, oil, gas, and power sector facilities through conservation and efficiency-driven reduction in demand. Advise on management, safety, and privatization of coal mines.
25.0	.04	25.0	Nuclear Power Plant Safety and Regulation	Funds will be transferred to DOE and NRC via IAAs for implementation of the Lisbon Nuclear Safety Initiative.
2.3	0	25.0	Pricing, Policy, & Institutional Reform	The focus of these activities will be on the familiarization of NIS energy sector policy makers, managers, and specialists with energy sector aspects of America's market economy.
37.6	3.8	67.0	subtotal	
110-0003 Environmental Restructuring - authorized ???/92				
5.0	0	5.0		This component has not yet been developed.
5.0	0	5.0	subtotal	
110-0004 Health Care Improvement - authorized 4/17/92				
2.5	1.03	11.5	Expanding Health Trade, Investment and Alternatives	Promoting U.S. private business trade and investment in the health sectors of the NIS, enhancing private sector participation in the production of health care inputs and provision of services, and developing alternative systems for financing health care.
14.0	9.11	16.5	Medical Partnerships	U.S. hospital and health center partnerships with facilities in the NIS to improve health care delivery and administration, including technical assistance, training, and limited equipment.
4.838	1.21	12.0	Reestablishing Productive Capacity	Selected interventions to improve systems for producing and delivering medicines, vaccines and medical supplies in the NIS.
0.5	.25	0.5	WHO Clearinghouse	

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Planned OYB	Obligated	LOP	Project	Project Description
Million \$				
0.25	0	1.0	Evaluations and Financial Audits	
22.088	11.6	41.5	subtotal	
10-0005 Private Sector Initiative/Defense Conversion - authorized 4/22/92				
18.3	2.0	18.3	Privatization	Privatization efforts, including support for auctions of state-owned enterprises, establishment of an investment support facility, and conversion of defense industries.
18.2	4.7	35.5	Investment and Trade	Efforts to facilitate greater U.S. investment in the NIS, such as establishment of an NIS Business Information Center in the U.S. and a consortium of U.S. trade associations in the NIS through the Department of Commerce. Funding of OPIC investment missions in the NIS and TDP feasibility studies is also a component of the project.
8.0	0	8.0	Small Business Development	
4.0	1.0	8.0	Defense Conversion Advisors	Through the International Executive Service Corps, providing technical advice to local officials on converting production to the civilian sector.
48.5	7.7	58.0	subtotal	
10-0006 Food Systems Restructuring - authorized 5/5/92				
1.25	1.25	3.75	Extension Services in Armenia	Agreement with Extension Service of the U.S. Department of Agriculture to provide long-term agricultural specialists in the Republic of Armenia.
.75	.58	.75	Food & Feed Grains Storage	Development of private, low-cost on-farm or nearby, grains and perishables storage and provision of technical assistance to reduce storage losses. Grants have been awarded to Kansas State University and the University of Idaho's Postharvest Institute for Perishables (PIP).
4.0	0	20.5	Private Sector Development	Focuses on working with U.S. agribusinesses and the emerging private sector in the NIS to improve the efficiency of agricultural input, processing and market systems.
14.0	0	14.0	Agribusiness Development	
20.0	1.83	39.0	subtotal	

Project Description	Project	Million \$		
		Planned OYB	Obligated	LOP
110-0007 Democratic Pluralism - authorized 4/10/92				
National democratic Institute (NDI) - Activities designed to strengthen political parties, promote local government reform, develop civic groups, and provide limited elections assistance to the NIS.	Political and Social Processes	1.8	1.6	1.8
International Republican Institute (IRI) - Provides support for political party building and training, women in the political system, political training for youths, and limited elections assistance in Russia and Central Asia.		1.9	1.9	1.9
Free Trade Union Institute of the AFL-CIO (FTUI) - Creates an Institute for Research and Education in Moscow and Center for Democracy, Labor, and Human Rights in Kazakhstan. Both centers will be resources in the development and support of independent labor unions in the NIS.		0.8	0	0.8
International Foundation for Electoral Systems (IFES) - Provides technical assistance to the central elections commissions of the NIS. Currently planning work in Georgia, Belarus, Ukraine and Tajikistan.		0.6	.52	0.6
Internews - Aids in the establishment of an independent television news distribution system in Russia, Ukraine, and Kazakhstan.	Independent Media	1.8	1.1	1.8
American Bar Association (ABA) - Provides assistance to the NIS in drafting new legislation and constitutions, provides legal advisors, and trains judges and law school faculty.	Rule of Law	1.0	1.0	1.0
	Parliamentary Development	0.2	0	0.2
	Election Monitoring	1.0	0	1.0
	Public Administration	5.0	0	5.0
Working at the national, regional, and local levels, this USAID program will help make public sector institutions in the NIS more responsive to the citizens they serve. Emphasis will be on decentralization of power. This component is still being designed.	subtotal	14.7	6.12	14.0

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Planned OYB	Obligated	LOP	Project	Project Description
Million \$				
110-0008 Housing Sector Reform - authorized 3/30/92				
6.0	4.72	25.0	Advisors and Training	Short- and long-term advisors and training programs to provide technical assistance to NIS municipal- and federation-level housing officials on development of laws, policies, and systems for private real estate and housing markets.
110-0009 Economic Restructure/Finance Sector - authorized 6/01/92				
14.0	4.0	18.0	Finance Ministry Advisers	Through U.S. Treasury Department advisors will work NIS finance ministries on tax policy, administration and compliance, budget and customs, public debt and relations with international financial institutions.
			Central Bank Advisors	Resident U.S. advisors in Russia, Ukraine and Byelarus to assist National Bank officials.
14.0	4.0	18.0	subtotal	
110-0010 Foundation for Technical Assistance and Training - Congressional Notification on hold.				
8.0	0	75.0	Grants	Financing of a new foundation to provide technical assistance, training and grants to organizations in areas of private sector development, democratization, and management training.
110-XXXX OE Transfers/Administrative Expenses				
6.1	6.1	6.1		
6.1	6.1	6.1	subtotal	
235.0*	56.2		total ESF funds * (excludes Administrative Expenses)	

**FY 1992 NIS OBLIGATION SUMMARY
AS OF SEPTEMBER 30, 1992**

13-Oct-92

ECONOMIC SUPPORT FUNDS

PROJ NO	TITLE	FIRST TRANCHE	SECOND TRANCHE	TOTAL PROJECT	TOTAL OBLIGATED	CARRY- FORWARD
0001	NIS SPECIAL INITIATIVES	14,900,000	38,812,000	53,712,000	40,097,683 *	13,614,317
0002	ENERGY EFFICIENCY	15,600,000	22,000,000	37,600,000	33,106,667	4,479,597 **
0003	ENVIRONMENT	0	5,000,000	5,000,000	0	5,000,000
0004	HEALTH CARE	15,000,000	8,588,000	23,588,000	14,139,539	9,448,461
0005	PRIVATE SECTOR	12,500,000	34,500,000	47,000,000	17,620,219	29,379,781
0006	FOOD SYSTEMS	6,000,000	14,000,000	20,000,000	3,833,400	16,166,600
0007	DEMOCRATIC PLURALISM	8,000,000	6,000,000	14,000,000	7,791,992	6,208,008
0008	HOUSING SECTOR REFORM	5,000,000	1,000,000	6,000,000	4,934,352	1,065,648
0009	ECON RESTRUCT	4,000,000	10,000,000	14,000,000	4,000,000	10,000,000
0010	EURASIA	4,000,000	4,000,000	8,000,000	0	8,000,000
TOTAL ESF		85,000,000	143,900,000	228,900,000	125,523,852	103,362,412
			ADMIN EXP	6,100,000		
			TOTAL	235,000,000		
<u>DEVELOPMENT ASSISTANCE</u>						
	CHILD SURVIVAL- 0001			5,215,718	5,215,718	0
	INT'L DISASTER ASSIST- 0001			6,000,000	358,161	5,641,839
	GRAND TOTAL			240,115,718	131,097,731	109,004,251

* INCLUDES \$2 M TRANSFERRED TO R&D BUREAU FOR US/ISRAELI ACTIVITIES

** EXCLUDES \$13,736 FY 91 FUNDS LAPSED TO TREASURY

FY 1992 OBLIGATION SUMMARY
PROJECT 0001- NIS SPECIAL INITIATIVES

15-Oct-92

AVAILABLE- FY 1991 FUNDS	8,850,000
AVAILABLE- FY 1992 FUNDS	40,862,000
UNAPPORTIONED	4,000,000
PROJECT TOTAL	53,712,000
OBLIGATIONS- DESCRIPTION	
IESC-COUNTRY DIRECTORS	3,839,000
SABIT- SPECIAL AMERICAN BUSINESS INTERN TRNG- COMMERCE	2,000,000
****PD&S ACTIVITIES****	
PADCO- URBAN HOUSING- HOUSING START-UP COST	265,000
PSC- R. FARMER- HEALTH START-UP COSTS	39,883
HEALTH CARE ENTERPRISE- START-UP COSTS	406,573
INTERPRETER SERVICE- STATE DEPT- HEALTH CARE- PD&S	24,000
ENVIRONMENT- PD&S- R&D BUY-IN	89,065
W. WING- AAAS- PD&S	83,854
I. BIRMAN- ECONOMIC CONSULTANT	18,500
A. TUEBNER- PSC- PD&S	20,495
S. LIEBOWITZ- INTERVIEW TRAVEL- PD&S	390
J. HOLDERBAUM- AAAS- ENVIRONMENT DESIGN- PD&S	70,500
H. KROLL- PSC- PD&S	52,743
H. KROLL- PSC- TRAVEL	7,940
PD&S- IRM PURCHASE ORDER- TIMENET COMMUNICATIONS	11,000
SUBTOTAL PD&S	(1,089,943)
USIA- PUBLIC ADMINISTRATION	2,400,000
CITIZENS DEMOCRACY CORP	1,816,000
STATE DEPT- RULE OF LAW	250,000
US PVO- EXPERIMENT IN INT'L LIVING	8,500,000
J. MORRIS- EMERGENCY FOOD ASSESSMENT- PSC	5,440
J. MORRIS- EMERGENCY FOOD ASSESSMENT- TRAVEL	10,300
USIA- AMERICA HOUSE	3,000,000
USDA- COMMODITY CREDIT- DAIRY INITIATIVE	13,791,000
CARE- FOOD GRANT- DAIRY INITIATIVE	1,034,000
OECD- SUPPORT DEVELOPMENT OF CCEET DATABASE	362,000
OYB TRANSFER TO R&D FOR US/ISRAELI ACTIVITIES	2,000,000
TOTAL OBLIGATIONS	40,097,683
BALANCE TO CARRYFORWARD TO FY 1993	13,614,917

**FY 1992 OBLIGATION SUMMARY
PROJECT 0002- ENERGY EFFICIENCY**

09-Oct-92

AVAILABLE- FY 1991 FUNDS	5,800,000
AVAILABLE- FY 1992 FUNDS	31,800,000
UNAPPORTIONED	0
PROJECT TOTAL	37,600,000

OBLIGATIONS- DESCRIPTION	
HAGLER, BAILLY, INC.	1,300,000
RESOURCE MANAGMENT ASSOCIATES	1,230,000
INTERNATIONAL RESOURCES GROUP	1,230,000
US ENERGY ASSOCIATION- SUPPORT ENERGY PROGRAM	1,589,340
IIE- INSTITUTE OF INT'L EDUCATION- ENERGY TRAINING	800,000
PARTNERS IN ECONOMIC REFORM- PIER- MINE SAFETY	1,239,200
BECHTEL- ARMENIAN POWER STATION	449,923
BRUSSELS ENERGY CONFERENCE TRAVEL	19,789
R&D- ENVIRONMENT PROJECT BUY-IN	20,211
DEPARTMENT OF ENERGY- NUCLEAR SAFETY	21,900,000
NUCLEAR REGULATORY COMMISSION- NUCLEAR SAFETY	3,100,000
*** PSC'S, TRAVEL AND MISCELLANEOUS ***	
PSC- CHARLES BLISS	45,303
PSC- EDWARD GAITHER	61,323
TRAVEL- EDWARD GAITHER	3,500
PSC- M.S. AKHTAR	45,303
PSC- HOWARD SHARLACH	32,771
TRAVEL- HOWARD SHARLACH	8,040
DEPT OF STATE- RUSSIAN INTERPRETERS- ENERGY CONF	5,250
PER DIEM- RUSSIAN & UKRAINIAN NUCLEAR SCIENTISTS	5,050
TRAVEL- V.B. POZDNYAK- INTERNATIONAL WORKSHOP	5,815
TRAVEL- VLADIMIR FROLOV- INTERNATIONAL WORKSHOP	5,945
RUSSIAN/UKRAINIAN NUCLEAR SCIENTISTS- CONF TRAVEL	9,904

TOTAL OBLIGATIONS	33,106,667
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BALANCE TO CARRYFORWARD TO FY 1993	4,493,333
LESS FY 1991 FUNDS LAPSED TO TREASURY	(13,736)

TOTAL CARRYFORWARD	4,479,597
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09-Oct-92

FY 1992 OBLIGATION SUMMARY
PROJECT 0004- HEALTH CARE IMPROVEMENTS

AVAILABLE- FY 1991 FUNDS	10,000,000
AVAILABLE- FY 1992 FUNDS	13,588,000
UNAPPORTIONED	0
PROJECT TOTAL	23,588,000

OBLIGATIONS- DESCRIPTION

PASA- US DEPARTMENT OF HEALTH & HUMAN SERVICES	112,000
US/USSR CHILDRENS HEALTH CENTER- HEALTH SYSTEMS	1,500,000
AMERICAN INTERNATIONAL HEALTH ALLIANCE	7,500,000
OPIC- EXPANDED TRADE & INVESTMENT IN HEALTH CARE	1,000,000
DEPT OF COMMERCE- INT'L TRADE ADMINISTRATION-	208,000
PASA - OFFICE OF INT'L HEALTH- FOOD & DRUG ADMIN	900,000
MERCK & CO- VACCINE PRODUCTION & SUPPORT	762,124
LEDERLE-PRAXIS- VACCINE PRODUCTION & SUPPORT	767,880
TRADE & DEVELOPMENT PROGRAM	1,000,000
WORLD HEALTH ORGANIZATION (WHO) CLEARINGHOUSE	250,000
PSC- RICHARD FARMER	118,900
PSC- KEVIN COVERT	20,635

TOTAL OBLIGATIONS	14,139,539
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BALANCE TO CARRYFORWARD TO FY 1993	9,448,461
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09-Oct-92

FY 1992 OBLIGATION SUMMARY
PROJECT 0005- PRIVATE SECTOR INITIATIVES

AVAILABLE- FY 1991 FUNDS	4,000,000
AVAILABLE- FY 1992 FUNDS	26,328,000
UNAPPORTIONED	16,672,000
PROJECT TOTAL	47,000,000

OBLIGATIONS- DESCRIPTION

IESC-COUNTRY DIRECTORS/DEFENSE CONVERT.	1,538,000
INT'L FINANCE CORP- IFC- SMALL SCALE PRIVATIZATION	3,750,000
OPIC- TRADE & INVESTMENT MISSIONS	3,000,000
DEPT OF COMMERCE- BISNIS- BUSINESS INFO SERVICES	1,400,000
TDP- ASSISTANCE TO US COMPANIES	5,000,000
BUY-IN TO PRE/EM PW CONTRACT-PRIVATIZATION POLICY	1,418,109
DEPARTMENT OF STATE- IAA-TELECOM TA	500,000
SAWYER-MILLER- TECHNICAL ASSISTANCE TO GKI	1,000,000
PURCHASE ORDER-H KROLL- WORLD BANK STRATEGY REPORT	14,110

TOTAL OBLIGATIONS	17,620,219
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BALANCE TO CARRYFORWARD TO FY 1993	29,379,781
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**FY 1992 OBLIGATION SUMMARY
PROJECT 0006- FOOD SYSTEMS**

09-Oct-92

AVAILABLE- FY 1991 FUNDS	1,750,000
AVAILABLE- FY 1992 FUNDS	4,250,000
UNAPPORTIONED	14,000,000
PROJECT TOTAL	20,000,000

OBLIGATIONS- DESCRIPTION

POST HARVEST INSTITUTE FOR PERISHABLES- PIP	285,100
FOOD GRAINS INSTITUTE- KANSAS STATE UNIVERSITY	303,300
IOWA INT'L DEVELOP FOUND- GRAIN EQUIP & FACILITIES	500,000
USDA- EXTENSION COLLABORATION PROGRAM IN ARMENIA	1,245,000
NORTH AMERICAN AG, INC- GRAIN STORAGE FACILTIES	1,500,000

TOTAL OBLIGATIONS 3,833,400

BALANCE TO CARRYFORWARD TO FY 1993 16,166,600

FY 1992 OBLIGATION SUMMARY
PROJECT 0007- DEMOCRATIC PLURALISM

09-Oct-92

AVAILABLE- FY 1991 FUNDS	4,400,000
AVAILABLE- FY 1992 FUNDS	6,600,000
UNAPPORTIONED	3,000,000
PROJECT TOTAL	14,000,000

OBLIGATIONS- DESCRIPTION	
AMERICAN BAR ASSN- GRANT- DEVELOP LEGAL FRAMEWORK	999,300
NAT'L DEMOCRATIC INSTITUTE FOR INT'L AFFAIRS	1,600,000
INTERNATIONAL REPUBLICAN INSTITUTE	1,896,215
INTERNEWS	1,087,000
FREE TRADE UNION INSTITUTE- AFL-CIO	791,000
INT'L FOUNDATION FOR ELECTORAL SYSTEMS- IFES	526,000
ASSOCIATES IN RURAL DEV -ARD- 2 SPECIALISTS	64,177
NAT'L DEMOCRATIC INSTITUTE -GEORGIA ELECTION MONITOR	187,800
ATLANTIC COUNCIL- CIVIL/MILITARY RELATIONS	626,500
PURCHASE ORDER- R CRAVER- STRATEGY OPTIONS	14,000
TOTAL OBLIGATIONS	7,791,992

BALANCE TO CARRYFORWARD TO FY 1993	6,208,008
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FY 1992 OBLIGATION SUMMARY
PROJECT 0009- ECONOMIC RESTRUCTURING

09-Oct-92

AVAILABLE- FY 1991 FUNDS	2,000,000
AVAILABLE- FY 1992 FUNDS	5,000,000
UNAPPORTIONED	7,000,000
PROJECT TOTAL	14,000,000

OBLIGATIONS- DESCRIPTION

DEPARTMENT OF TREASURY- FINANCIAL ADVISORS	4,000,000
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TOTAL OBLIGATIONS	4,000,000
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BALANCE TO CARRYFORWARD TO FY 1993	10,000,000
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Discussion Notes

- The following budget is a preliminary attempt to balance sectoral priorities with Congressional earmarks. Technical and field feedback is still required.
- Exchanges: a major share of the USIA exchanges will have a democracy focus and should be considered as contributing to the democracy totals for purposes of calculating sectoral shares.
- PVOs: \$5 million under the NIS Initiatives Project should be adequate for PVOs given the extensive number of PVO activities under other sectors, particularly environment. NIS/TF and D/CISA should meet to discuss the substantive nature of the PVO activities.
- Agribusiness: a total of \$29 million is available to start off the agribusiness activity (\$14M from FY92 and \$15M from FY93). Taking into consideration the time required to execute agreements with the agribusiness associations and administrative start-up requirements, \$29 million should cover realistic expenditure projections for FY93 and early FY94.
- Private Sector and Enterprise Funds: even at the indicated levels, these activities are under-funded. They represent the principal mechanism to leverage private capital in the NIS. Major private investments will have to be leveraged in order to have an impact on structural change.
- Legal Opinion: both A.I.D. and State have completed informal legal reviews of the Freedom Support Act and the Appropriations Bill. An official version that covers all sections of these bills needs to be produced.
- Legal and Policy Issues: an NIS/TF and D/CISA meeting is needed with our legislative and legal offices to discuss policy positions on soft earmarks (i.e. authorized activities with "up to" language) such as the Democracy Corps and the American Business Centers.
- Technical Discussions: NIS/TF and D/CISA should coordinate at a staff level to examine the technical implications of the proposed budget levels.

doc:budnotes

NIS BUDGET WORKSHEET

DRAFT
OCTOBER 9, 1992

PROJECT	FY92 PLAN	FY92 OBLIG	FY92 CARRY	FY 1993			COMMENT
				#1	D/CISA	#2	
1 NIS INITIATIVES	53.7	39.7	14.0	<u>110.0</u>	<u>112.0</u>	<u>107.0</u>	
--EXCHANGES				50.0	50.0	50.0	\$20M SEC SCHOOL; \$30M other
--DAIRY				30.0	30.0	30.0	\$20M FROM USDA FOR \$50M EARMARK
--ARMENIA REFUGESS				5.0	0.0	0.0	DA FUNDED
--STATE TITLE VIII				0.0	0.0	2.5	\$5M EARMARKED FOR NIS AND SEED
--TURKEY				2.0	0.0	0.0	COVERED WITH FY92 FUNDS
--ISRAEL				2.0	5.0	3.5	Plus \$1.5M OUT OF \$2.5M DA EARMARK
--EMERGENCY				10.0	13.0	10.0	D/CISA--\$3M FOR HOPE;NIS--USE CS
--PVOs				5.0	8.0	5.0	D/CISA--\$3M FOR MIGRATION
--PDS				1.0	6.0	6.0	ELIMINATE OTHER CATEGORY
--OTHER				5.0	0.0	0.0	
2 ENERGY	37.6	33.1	4.5	74.0	50.0	60.0	ASSUME \$30M NUCLEAR SAFETY
3 ENVIRONMENT	5.0	0.0	5.0	10.0	7.0	10.0	
4 HEALTH	22.1	14.1	8.0	15.0	20.0	15.0	NOTE ADDITIONAL CS CONTRIBUTIONS
5 PRIVATE SECTOR	48.5	17.6	30.9	55.0	53.0	<u>70.0</u>	INCREASE NEEDED FOR EARMARKS
--BUSINESS CENTERS						5.0	UP TO \$12M EARMARKED FOR DOC
--UNIV. ALASKA						2.0	UP TO \$2M AUTHORIZED
--TELECOM							CONFEREES ENDORSE \$8.5M
6 FOOD SYSTEMS	20.0	3.8	16.2	<u>15.0</u>	<u>27.0</u>	<u>18.0</u>	
--AGRBUS CENTERS				12.0	0.0	0.0	SUBSUMED UNDER PSI BUS CENTERS
7 DEMOCRATIC PLURALISM	14.0	7.8	6.2	17.0	<u>37.0</u>	<u>17.0</u>	
--DEMOCRACY CORPS					15.0	0.0	UP TO \$15M AUTHOR; MEET INTENT THROUGH USIA EXCHANGES
8 HOUSING	6.0	4.9	1.1	10.0	10.0	10.0	
9 ECONOMIC & FINANCIAL	14.0	4.0	10.0	22.0	18.0	22.0	
10 EURASIA FOUNDATION	8.0	0.0	8.0	5.0	4.0	4.0	NOTE NIS APPROPRIATION INJUNCTION FOR PRIOR NOTIFICATION
11 ENTERPRISE FUNDS	0.0	0.0	0.0	75.0	70.0	75.0	
XX OPERATING EXPENSES	6.1	5.6	0.5	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	\$8.4M AID REQUIREMENT
--IG				0.6	0.6	0.6	\$600,000 EARMARK
TOTAL ESF/NS ACCOUNT	235.0	130.6	104.4	417.0	417.0	417.0	APPROPRIATED LEVEL
CHILD SURVIVAL	5.2	5.2	0.0	15.0	15.0	15.0	FROM DA FOR AGENCY EARMARK
TOTAL NIS	240.2	135.8	104.4	432.0	432.0	432.0	

ADDRESSES & TELEPHONE NUMBERS
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ASHGABAT, TURKMENISTAN - Plus 10 hours

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Jubileinaya Hotel

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BAKU, AZERBAIJAN - Plus 8 hours

Richard Miles, Ambassador

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Tom Price, Charge d'Affaires

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Washington, DC 20521-7020

SESOVCR 12
10/08/92

October 20, 1992

USAID/UKRAINE
Phone: 9-001-7-44-(num. below)

Mission Director:	Edward Smith (Acting)	221-7648
Program Officer:	Amy Nolan Osborn	221-7646
Project Development Officer:	Edward Smith	221-7648
Project Development Officer:	James Osborn	221-7643
Executive Officer:	Anatole Bilecky	221-7659

FAX Number: 011-873-151-3424

-10

October 20, 1992

USAID/RUSSIA

Phone: 9-011-7-095-205-2846 (75)

Mission Director: James Norris
Dep. Mission Director: Robert Burke
Executative Assistant: Lorraine Jacobs
Program Officer: Thomas Rishoi
Project Development Officer: Allen Reed
Controller: Igor Nesterczuk
Executive Officer: James Leo
Energy Officer: Charles Moseley
Health Officer: John LeSar
Special Project Officer: Elizabeth Kvitashvili
Private Enterprise Officer: Talbert Penner

Inmarsat Number: 011-871-151-3551
150-6653

FAX Number: Inmarset, 011-871-140-3207
Direct, 011- 7-095-205-2813
Embassy, 001-7-095-255-9270
-9957

11

October 20, 1992

USAID/KAZAKHSTAN

Phone: 011-7-327-2619108(3)

Mission Director: Craig Buck (ETA 11/25)

Program Officer:

Project Development Officer: Edward Birgells

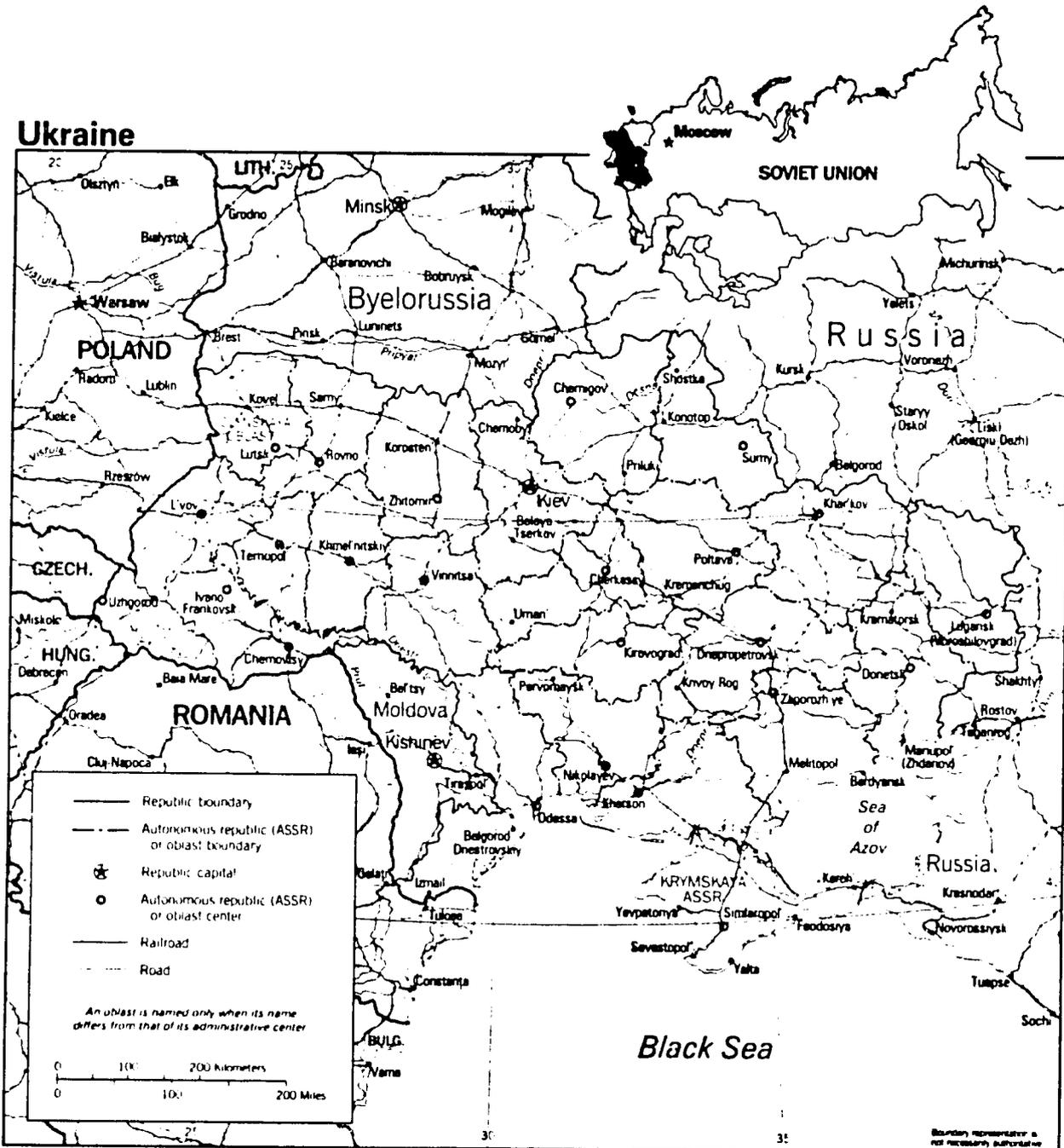
Controller: James Ahn

General Development Officer: Paula Feeney

Private Sector Officer: William Dunn (ETA 11/15)

FAX number: 011-7-327-2619102

Ukraine



COUNTRY PROFILE: UKRAINE

LOCATION, AREA, POPULATION, ECONOMIC , AND POLITICAL

- LOCATION: Eastern Europe. Bordered by Russia (east and northeast); Belarus (north); Poland, Czechoslovakia, and Hungary (west); Romania and Moldova (southwest); Black Sea (south)
- AREA: 603,700 square kilometers (approx. 233,100 square miles) Land use: 57% cropland; 11% permanent pasture; 13% forests and woodland; 19% other (mostly urban)
- POPULATION: 51.7 million (1989). Distribution: 68% urban (1991). Growth Rate: 0.6% per year (1990). Ethnic Composition: Ukrainians (73%), Russians (22%), Jews (.9%), Belarussians (.9%).
- ECONOMIC: GNP: \$919 (1990). Agricultural Products: wheat, barley, corn, sugar beet, potatoes, pigs, cattle, sunflowers, fish, sheep. Industrial Products: coal, petroleum, paper, cement, iron and steel, railroad engines and cars, chemicals. Natural Resources: coal, crude oil, natural gas, iron, manganese, copper, chromium, gold, lead, nickel, potassium salts.
- POLITICAL: An independent republic conquered by the Soviet Army in 1922. Was one of the three Soviet republics to declare the demise of the Union on December 8, 1992. Is divided into 25 oblasts (provinces), 479 rayons (divisions), and 415 cities. Executive: President and a Council of Cabinets. Legislature: Parliament. Judiciary: Supreme Court.

HISTORICAL SKETCH:

- Divided between opposing powers: Russian and Poland in the mid-17th century, then between Russia and the Hapsburg Empire.
- Collapse of Russian and Hapsburg empires at end of World War I, two Ukraines emerged: one in former Russian Ukraine, the other in the formerly Hapsburg west.
- The two Ukraines unsuccessful in gaining full control of territories. By 1920, the hope of an independent Ukraine failed. Red Army conquered eastern Ukraine, thus making the area a part Soviet Union. At same time, Western Ukraine became part of newly independent Poland.
- Polish culture exposed Ukraine to the West.
- Dominant influence on most of the country has been Russia. Perception of Russian leaders: Russia and Ukraine have a common historical heritage which includes similarities in language and religion.

ECONOMIC ISSUES

- Decline in industrial production by 20% (in first quarter of 1992).
- Decline in agricultural production by 12% (1991).
- Output in food processing industry down by 40%.
- High inflation (estimate for the year ending 1992, inflat rate of over 1,000%).
- Budget deficit: 600 billion (projected for 1992). Estimated 1991 deficit: 100 billion rubles.
- Interruption in trading links with other NIS attributed to collapse in central planning and the desire to keep more local production at home.
- Insufficient energy supplies, oil and natural gas.
- Lack of infrastructure and "know-how" for transition from command economy to market-oriented economy.

U.S. ECONOMIC ASSISTANCE

OBJECTIVES:

- A. Political Reform
- B. Economic Reform
- C. Basic Human Needs
- D. Environment Enhancement

ASSISTANCE PROGRAM:

A. Assistance to Date

- Under Provide Hope Phase I, 61.5 tons of medical supplies were sent to Kiev, 24 tons of food to Kharkov, and 42 tons of food to Lviv.
- \$14.8 million in medical supplies were shipped under the President's Medical Initiative through Project Hope.
- EXIM has made available short term financing insurance for U.S. business efforts. An OPIC agreement was also signed, making way for private investment and OPIC programs.
- The International Executive Service Corps (IESC) and Special

American Business Internship (SABIT) programs have set up offices. IESC is providing technical assistance to local organizations in the areas of improved efficiency of operations and modern management methods. The SABIT program offers short-term internships in the U.S. NIS scientists and executives.

- Through a grant with Project Hope, assistance is provided to Ukraine to help meet its short-term childhood immunization requirements.
- A grant has been made to IESC for public administration training program.
- A team of 3 defense conversion advisors are providing advice and guidance to local governments/enterprises regarding defense conversion opportunities.
- A grant to the American Bar Association (ABA) provides request-based assistance to all NIS governments in drafting new legislation and new constitutions; placing legal advisers in country to respond to requests for legal assistance; and training judges, lawyers and law school faculty in rule of law principles. The ABA is locating a liaison and several long-term advisors in Kiev to coordinate ABA activities in Ukraine.
- Assessments of the banking and housing system, and of the legal and institutional framework for the privatization of housing were carried out in September.
- Grain Storage Facilities: AID has contracted with North American Agricultural to install 15 grain facilities in Ukraine with private sector associations and foundations to help with the storage problem and be used for demonstration and training purposes.

B. Anticipated A.I.D. Assistance

- Pharmaceutical production: An industry audit of barriers to pharmaceutical production is being organized for late October.
- Development of health financing initiatives: A team organized by the Health Care Financing Administration will visit Ukraine in October to develop health financing initiatives which will contribute to market-oriented reform in the health care sector.
- Small Business Development: An assessment team will visit Ukraine in October to explore opportunities for small business development projects.

- Election Support and Monitoring: The International Foundation for Electoral Systems plans to conduct a pre-elections assessment in Ukraine to determine the assistance needs of the Central Elections Commission as it prepares for future elections.
- Political Party and Civic Organization Development: The National Democratic Institute plans to hold seminars in local government reform, political party development, and the development of civic groups during 1993.
- Independent Media: A network of independent television stations is currently being developed through an organization called Internews Network. Internews assistance includes journalist training, station manager training, and limited commodity assistance. While this program targets groups mainly in Russia, independent television stations in Kharkov will also participate.
- Civil Military Relations: A grant is currently under negotiation with the Atlantic Council to conduct a training program on civil military relations in Ukraine. The program will emphasize the oversight and accountability roles played in the military by civilians.
- Shelter Sector Reform: Assistance will be provided in three areas of immediate concern to the government: (1) preparation of operational guidelines for implementing the recently-adopted land rent law, (2) analysis of effective housing demand as a precondition to revising development ordinances and planning standards to encourage private investment in shelter, and (3) identification of immediate options to expand the housing stock through rehabilitation and conversion of older housing and garden housing.

In Kharkov, the program of assistance is initially focused on converting the land use planning and control process of the past, which was designed for public investment only, to a system that supports private investment in housing. A.I.D. will also assist Kharkov in privatization of the vast municipal stock of housing beginning in 1993.

UNITED STATES OF AMERICA
ASSISTANCE TO UKRAINE

BULLETIN #1

7 OCTOBER 1992

I. DEMOCRATIC REFORM: POPULAR PARTICIPATION AND DECISION-MAKING
IN GOVERNANCE -- ENFRANCHISEMENT, INSTITUTIONS, LAWS

o Training in Democratic Governance - National Democratic Institute For International Affairs (NDI) provided Los Angeles City Councilman Zev Yaroslavsky and Don Benninghoven, Executive Director of the California League of Cities to advise municipal officials around the country. Workshops were held for 35 elected officials and administrators from raion, city and oblast councils in Donetsk on division of powers between local and national government, executive-legislative relations and constituent services. Training sessions were held in Kyiv for 20 administrators from Kyiv and cities in Western Ukraine and Crimea addressing the budget process, taxation, privatization and executive-legislative relations.

Sarah Farnsworth, a long term resident advisor from NDI arrived at post in Kyiv in September 1992 to continue the organization and delivery of training and information exchange activities on democratic party organization, election processes, legislative processes, local government and civic education on democratic political institutions.

NDI will organize and deliver a workshop in November 1992 that will focus on local city councils and their relationship to national government, to political parties and the role of governance in a democratic system.

o Legal Reform and Legislative Drafting - American Bar Association (ABA) - In October 1992, the American Bar Association will commence a program of short term technical assistance to Ukraine. A legal advisor will be provided for up to a year on legal reform and legislative drafting; an expert will assess court administration assistance needs; and a five member judicial team will conduct a workshop on "State and Local Government" Oct 12-17. In addition, a program liaison person will be provided for three months beginning in October.

o Trade Unions - The American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) has worked with Ukrainian trade unions to set up the Ukrainian Free Press, a publishing center for which they have provided technical training and equipment.

o **Independent Media - Internews** is a nonprofit organization headquartered in California that has a long track record of work with independent television broadcasters. Internews has begun work on the establishment of a computer-based electronic mail conference network with six regional media centers throughout the former Soviet Union to allow independent broadcasters to exchange information on news coverage, regional events and content through a satellite link. One regional media center is to be developed in Kharkiv. Internews will hold workshops for journalists and television station managers in Kyiv and Kharkiv in October 1992.

o **NGO Partnership Service Center** - A high level team of representatives from major U.S. non-governmental, private and voluntary organizations (NGOs) visited Odessa and Kyiv in September 1992 to identify opportunities for U.S. NGOs to establish partnerships for technical cooperation with Ukrainian NGOs (non-profit, non-political, non-governmental organizations). USAID/Ukraine will pursue support and funding for a U.S.- Ukraine NGO Partnership Service Center in Kyiv. Its purpose would be to bring Ukrainian and U.S. NGOs with common interests together, provide information on NGO operations in both countries and facilitate technical cooperation and flows of assistance between U.S. and Ukrainian NGOs. Emphasis would be on reforms and investments at the community level that are critical to improving the quality of life for Ukrainian citizens, especially in the fields of health, small business development, environmental protection and women's development needs.

II. ECONOMIC REFORM: PRIVATE PARTICIPATION AND DECISION-MAKING IN THE ECONOMY -- OWNERSHIP, INSTITUTIONS, POLICY, LAWS, REGULATION

o **Health Finance and Systems Management** - The U.S. Department of Health and Human Services lead a technical team to Kyiv, Lviv and Odessa in October, 1992 to develop recommendations for specific technical cooperation activities (training and technical assistance) that will assist the national government develop a systematic approach to health policy implementation, build the infrastructure and systems for health insurance and financing, and improve operational management of local health care institutions and services. Within the scope of such cooperation, assistance to individual hospitals and physicians could be arranged to help them privatize, attract investment and increase efficiency.

o **U.S. Industry Executive Exchange** - The International Executive Service Corps is a nonprofit organization that organizes short term technical cooperation missions by retired chief executive and operating officers of American business. In 1992, IESC has sent two short term visiting executives to

Kharkiv to work on television programming and hospital administration, two to Lviv to work with the Institute for Light Industry to establish a business development center and with the Institute of Management to lecture in economics. Also, three one-year resident advisors are working for a year with defense industries in and around Kharkiv on defense conversion options. Two additional visiting executives will arrive in October 1992, one to work the District Council of People's Deputies in Ivano-Frankivsk region on farming and small business and one to work in Kyiv with the LISBANK to develop a bank computer system. In May 1992, IESC assigned Mr. Bohdan Wynnyczok to Kyiv to manage its programs in Ukraine.

o **Energy Sector** - An Energy Sector Memorandum of Discussions was signed on 22 August 1992 between the Ministry of Power and Electrification, the National Center for the Implementation of International Technical Assistance to Ukraine, the Newly Independent States Task Force of USAID in Washington and USAID/Ukraine. This memorandum covers (1) energy efficiency, (2) coal industry independent management and labor, (3) nuclear safety and regulation and (4) energy sector partnerships.

o **Energy Efficiency** - A technical team visited Kyiv in April 1992 to perform an energy audit of Kyiv power stations. They established a list of instruments and equipment required to improve energy efficiency. Equipment valued at \$25,000 was turned over to the staff of Kiev Power Station No. 5. immediately. Procurement of an additional \$125,000 of energy efficiency improvement instruments and equipment for Kyiv Power Station No. 5 is currently in process. U.S. technicians will supervise installation of the equipment and instruct plant personnel in their proper use and maintenance.

o **Scientific and Management Training** - The Special American Business Internship Training program (SABIT) provides training for mid and senior level business managers and scientists through the U.S. Department of Commerce. The program has reviewed and accepted 18 Ukrainian candidates for short term training in the U.S.

o **Small and Medium Scale Business Development** - A technical team is in Kyiv during October 1992 to define the scope for technical cooperation in small and medium scale enterprise development.

o **Crop Storage Systems** - Two teams, Kansas State University on grains and Idaho State University on potatoes, visited Ukraine in July 1992 to assess needs for assistance in improving crop storage in order to diminish post harvest losses.

o **Farmer to Farmer Cooperation - Volunteers in Overseas Cooperation Assistance (VOCA)** has provided 13 volunteers to Ukraine since April to assist private farmers as part of the U.S. Farmer-to-Farmer program. The first team of four volunteer specialists arrived in April 1992 in the Kyiv and Donetsk regions to help newly-established private farmers improve their production and marketing skills. Two more came in July 1992 to Ternopil and one to Volya. Four volunteers arrived in September 1992 to work with the Kherson Regional and Jankol Farmers Associations. Two more will arrive October 1992 to assist the AgroVIKA Farmer Information and Commercial Center. VOCA's country representative, Martin Robinson, arrived in August 1992 to manage VOCA activities in Ukraine.

o **Wholesale Marketing - The U.S. Department of Agriculture (USDA)** is assisting in the development of a private wholesale market in Kyiv.

o **Local Government Reform/City of Kharkiv -** A memorandum of understanding was signed between USAID and the City of Kharkiv on March 27, 1992 to provide up to two resident advisors to assist the city administration transform city management operations for housing and urban land from a central decision-making process to one driven by free market forces. George Chranewycz, formerly Chief of Planning for Newark Housing Authority (Newark, New Jersey), has been assigned as long term advisor to Kharkiv to work at the city's request initially on the planning process and land and real estate finance. His work has been augmented by short term experts to Kharkiv in comprehensive planning and building finance and construction.

A U.S. study tour for five Kharkiv city administrative officials to Philadelphia, Baltimore and Washington will be conducted during November 1992 to look at the U.S. planning process, urban zoning and land and building development project approval systems.

o **Privatization of Urban Land and Buildings -** Jerold Kayden, an urban legal specialist, worked on an analysis of the legal and institutional framework at the national and local government levels to create functional land and building markets and also worked out the framework for technical cooperation. He gave a three hour workshop for 50 government officials in Kyiv on privatization of land and buildings and presented a paper on the condominium law and management system for multi-family housing to 600 local government participants at a privatization workshop in Zaporozh'ye.

A Memorandum of Cooperation has been negotiated to support to the Government of Ukraine in the creation of laws, systems and procedures needed to facilitate transformation to fully

functional private urban land and housing markets. This memorandum covers (1) implementation strategy for privatization laws on land and buildings; (2) condominium law and alternative private urban property management forms; (3) task force on issues regarding privatization of urban land; and (4) guidelines for implementation of On-Payment-On-Land law and other local government finance alternatives.

o **Financial System Reform** - In July and September 1992, the U.S. Department of the Treasury provided the short advisory services of Andrew Pike, a tax expert, to assist the Ministry of Finance in defining the issues and drafting language for new laws on enterprise tax, value-added tax and personal income tax. Those short term advisory services are to be continued on tax policy reform at the government's request and consideration is being given to providing a long term resident advisor on tax administration.

III. HEALTH AND SAFETY

o **Emergency Medicines and Food** - In February 1992, five plane loads of medical supplies and food were delivered: 61.5 tons of medical supplies to Kiev, 24 tons of food to Kharkiv and 42 tons of food to Lviv. On April 24, 1992: C5 and C141 aircraft loads of food aid to Kiev (Soybean seed, etc.); during April 28th - May 15th, 7 truckloads of medical supplies were given to the Ministry of Health for Lugansk Oblast; on May 2nd, 200 skids (85 mt) of medical aid was sent to Kiev and 130 skids (30 mt) to Kharkiv; on August 20th, 100 skids of medicines and medical supplies were shipped by AW 225 aircraft shipment of \$5.5 million of medicines and medical supplies.

o **Project Hope Medicines** - Starting in October 1991, \$14.8 million in medical supplies and medicines were shipped to Ukraine under the President's Emergency Medicines Initiative. The U.S. will supply 175,000 doses of measles-vaccines with an equal number of disposable syringes to 15 oblasts: Volyn, Lugansk, Dnepropetrovsk, Shytva, Zaporuzh'ye, Kiev Oblast, Crimea, Odessa, Poltava, Sumi, Gherkassi, Chernivtsi, Chernigov, Kiev City, and Sevastopol. Vaccines are on order and expected to be delivered to Project Hope's warehouse in Virginia (USA) in October. At that time, the U.S. Department of Public Health will send 200 sample vials (50 per lot number) to Ukraine for testing at the Teresevich Institute in Moscow. The final delivery to Ukraine is scheduled for November 1992.

o **Hospital Partnerships** - Pennsylvania Hospital and University of Pennsylvania Medical School have paired with Kiev Medical Institute, #1 and #2 Children's Hospital and #2 Obstetrical and Gynecological Hospital in the hospital partnership program. The formal agreement was signed September

22, 1992 for a program of medical technical training in institutions in Philadelphia, and development in Kiev of a new obstetrics and perinatal facility with American technology which would also serve as a training center in modern obstetrics and new infant care techniques. Coney Island Hospital (CIH) and Maimonides Medical Center have paired with Odessa Regional Hospital. A team of seven from CIH will visit Odessa Oct 17-27 to formulate the implementation plan for the partnership and explore medical equipment needs.

o **Military Civic Action Health Teams** - A U.S. military health team visited Kyiv Sept. 28-30, 1992 and discussed with Ukrainian military health officials and the Ministry of Health prospects for U.S. civic action health teams to visit rural areas and provide vaccinations, dental and eye care, diagnoses and perhaps fabricate eyeglasses on the spot. Discussions were positive.

o **Export Credit Guarantees/Grains** - On May 11, 1992, the U.S. Department of Agriculture announced \$110 million in export credit guarantees for wheat and feed grains to Ukraine, 55 million immediately, 55 million after June 30, 1992.

o **Coal Industry** - In July and August 1992, Partners in Economic Reform (PIER) sent a "quick start" survey team to Donbass to inspect the mines with emphasis on operations, workers health and safety. Priority equipment, technical assistance and training needs were identified. A long term resident advisor will arrive in Donbass in October 1992.

o **Nuclear Safety** - A reconnaissance visit was made in August 1992 by the U.S. Nuclear Regulatory Commission (NRC) and the U.S. Department of Energy with a follow-up visit in September. A memorandum was signed outlining proposed technical cooperation, including the establishment of a Regional Nuclear Safety Training Center at the Zaporozh'ye Nuclear Plant and provision of a simulator and other related equipment to the Regional Nuclear Training Center at Zaporozh'ye, and fire detection and suppression equipment at the Zaporozh'ye plant. The U.S. has also agreed to provide \$100,000 in computer equipment to the State Committee for Nuclear and Radiation Safety.

o **Environmental Protection** - A joint team from USAID and the U.S. Environmental Protection Agency (EPA) and the U.S. private sector did an environmental assessment in August 1992 to determine points for technical cooperation. Among the greatest immediate needs, apart from nuclear pollution reduction, is assurance of a safe, potable water supply for population centers in Ukraine.

Ukraine

Staffing:

4 of the 5 staff members authorized are in Kiev. The Mission Director position is vacant. Terry McMahon has been nominated by the Task Force and is currently being processed through EPAP system.

Housing:

The Executive Officer has located three or four acceptable residences and believes that he can obligate leases for at least two of these before September 30. The EXO plans to rent more units early in FY 93.

Office Space:

The entire 13th floor of a hotel has been rented for six months, with two options to renew for four months at a time. The search for permanent space continues, but has proven to be most difficult.

Automation:

Equipment is being trucked from Helsinki, leaving September 23. It is expected to arrive in time for the IRM team to install it, associated software and E-mail.

Russia

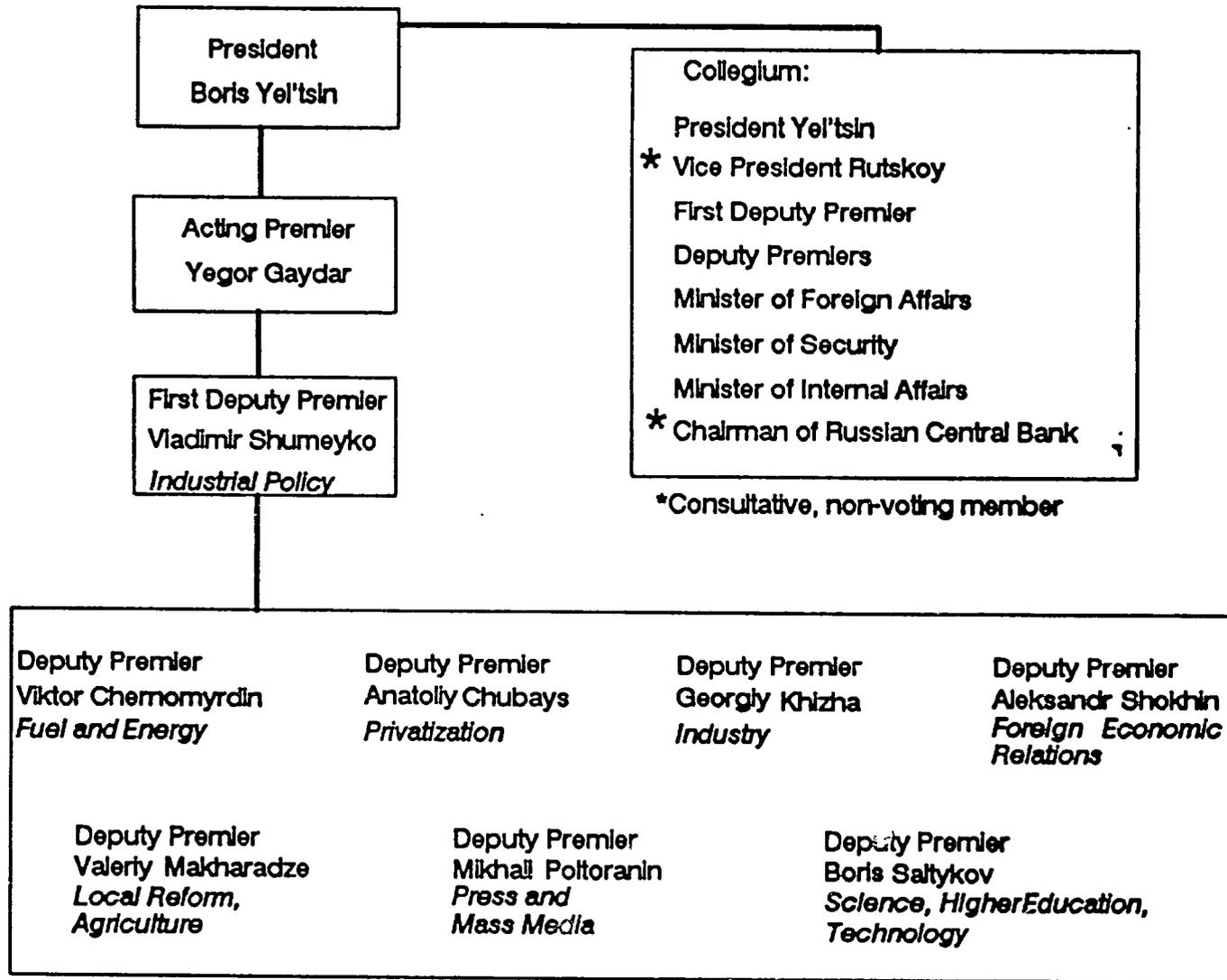
- International boundary
- Autonomous republic (ASSR), oblast, or kray boundary
- Autonomous oblast (AO) or autonomous okruga (AOK) boundary
- ★ National capital
- Oblast center

Autonomous republics (ASSRs) are named. An oblast is named only when its name differs from that of its administrative center.
 Lambert Conformal Conic Projection, SP 47/82 N



Names and boundary representation of administrative divisions are not authoritative. Final boundaries of Estonia, Latvia and Lithuania with the former Soviet Union are expected to be confirmed by agreement. Other boundary representation is not necessarily authoritative.

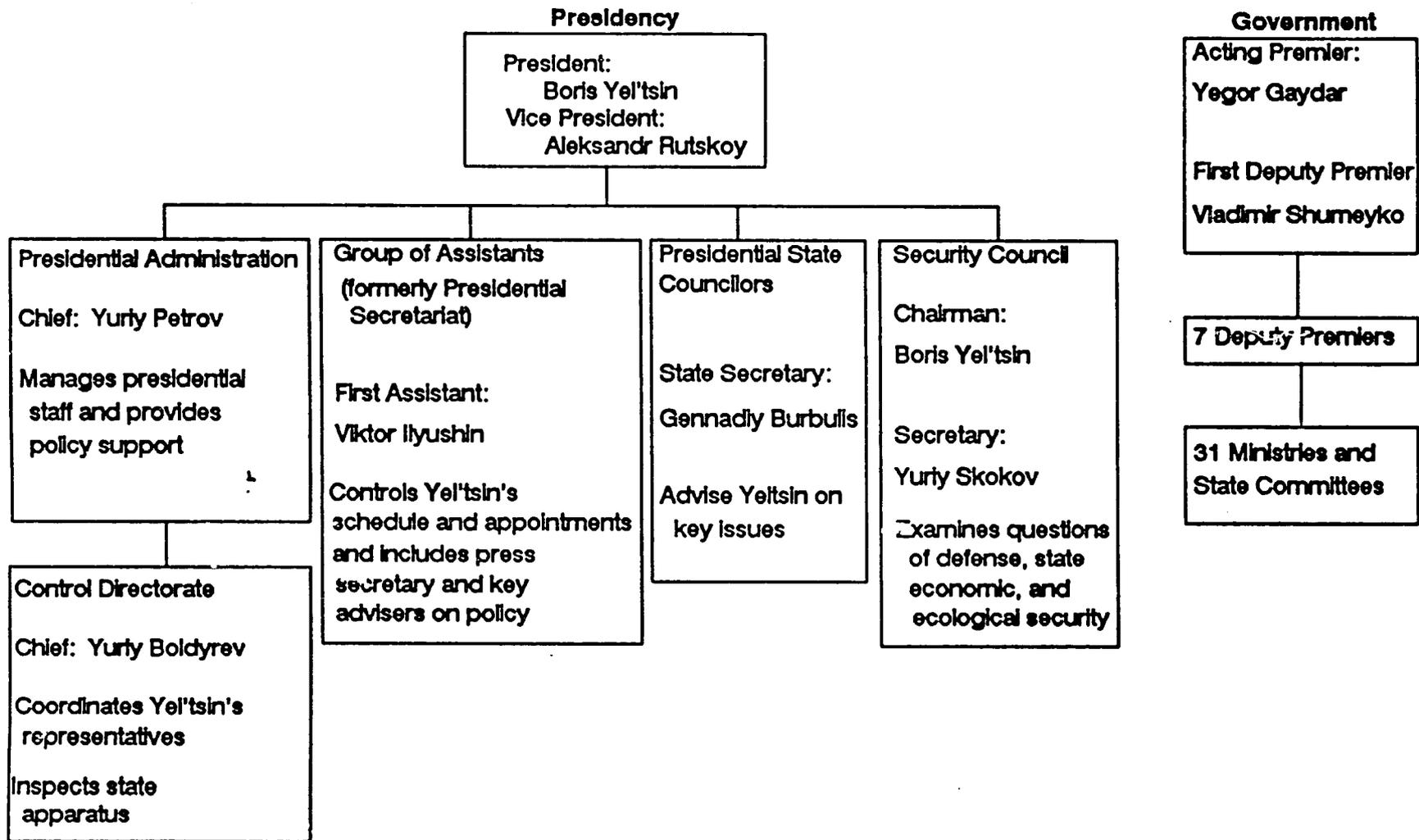
STRUCTURE OF THE RUSSIAN CABINET



Information as of 23 July 1992

10/2

RUSSIAN EXECUTIVE BRANCH



Information as of 24 July 1992

25

CHRONOLOGY

The Russian Empire

- 7th Century** Eastern Slavs, ancestors of Russians, Byelorussians, and Ukrainians, begin expanding European Russia.
- 978-1054** The zenith of the Kiev Rus', a Slavic state that controls parts of what is today Ukraine, Byelarus, the Baltics and Russia.
- 13th Century** Mongols defeat the Russian princes and the Golden Horde settles in southern Russia
- 1325-1341** Ivan I founds the Muscovite state.
- 1462-1505** Reign of Ivan the Great, the first Tsar of Russia, who expands Muscovy to Novgorod and Tver.
- 1533-84** Reign of Ivan the Terrible, who expands Muscovy east into Siberia and south to the Caspian Sea.
- 1682-1725** Reign of Peter the Great, who defeats Sweden, capturing much of the Baltics and founding St. Petersburg, the first "window to the West," on the Gulf of Finland. Russians reached the Pacific in the 1640s.
- 1762-96** Reign of Catherine the Great, who annexed the Crimean peninsula and a large portion of Poland. In the early 1800s, Russia acquires Finland from Sweden, and Bessarabia from the Ottoman Turks.
- 19th Century** Russia loses the Crimean War to France and Britain but takes control of Georgia, northern Azerbaijan, eastern Armenia, Turkistan, and in the east as far south as Vladivostok. In 1867, Russia sells Alaska to the US.
- 1904-05** The Russo-Japanese War, won by Japan, costs Russia parts of the Manchurian coast and the southern half of the Sakhalin islands.
- 1905** The first Russian revolution, a failed attempt to overthrow the Tsarist system.

The Building of the Soviet Union

- 1917** The February and October Russian Revolutions overthrow Tsarist rule and bring Lenin's Bolsheviks to power.
- 1918-1921** Red Army troops win the civil war and retain most of the former Russian empire.
- Dec. 30, 1922** The Union of Soviet Socialist Republics (USSR) or Soviet Union is formed by the Treaty of Union.
- August 23, 1939** Nazi Germany and the Soviet Union sign a non-aggression pact, also known as the Hitler-Stalin pact. A secret protocol divides Eastern Europe into Soviet and German spheres.
- June 27, 1940** The Soviet Union annexes Bessarabia (now part of Moldova) and Northern Bukovina (now part of Ukraine).
- August 1940** The Soviet Union annexes Estonia, Latvia, and Lithuania, as arranged for in the Hitler-Stalin pact.
- June 22, 1941** Nazi Germany invades the Soviet Union. Over 20 million Soviets die during the war. Millions more are killed by Soviet leader Joseph Stalin in purges and repressive policies before, during and after the war.
- August 14, 1945** Japan surrenders, ending World War II. Soviet occupation of Japan's Kuril Islands, north of Japan, is the key issue preventing improvement in Japanese-Soviet relations to this day.

The Cold War

- February 26, 1945** Stalin makes his "Cold War" speech, stating the Soviet Union will continue pre-war policies.
- March 5, 1946** Winston Churchill declares an "Iron Curtain" has fallen over the countries of Eastern Europe.
- February 24, 1948** Soviet-backed Communist coup succeeds in Czechoslovakia.
- June 24, 1948** Stalin blocks all land routes to West Berlin. In response, U.S. President Harry S Truman institutes the "Berlin Airlift" with Great Britain and France. Stalin lifts the blockade on May 15, 1949.
- April 4, 1949** The North Atlantic Treaty Organization (NATO) is formed.
- September 23, 1949** President Truman announces that the Soviet Union has exploded its own atomic bomb, four years after the first U.S. explosion.
- 1950** Following the victory of Communist forces in China, the Soviet Union and China form an alliance calling for worldwide revolution. Communist North Korea, with Soviet backing, launches an attack on South Korea.
- March 5, 1953** Stalin dies. After a lengthy power struggle, Nikita Khrushchev attains full power in 1957.
- May 14, 1955** The Warsaw Treaty Organization, or Warsaw Pact, is formed.

- November 1956** Soviet troops roll into Hungary, crushing a move by Budapest to declare itself neutral.
- August 13, 1961** The Berlin Wall goes up.
- October 1962** The Cuban Missile Crisis: U.S. President John F. Kennedy blockades Cuba, forcing Soviet Premier Khrushchev to remove Soviet nuclear missiles being deployed there.
- August 5, 1963** The Limited Test-Ban Treaty, prohibiting atmospheric nuclear tests by the United States and the Soviet Union, goes into effect.
- October 14, 1964** Khrushchev is deposed as Soviet leader and replaced by Leonid Brezhnev.
- July 1, 1968** The Nuclear Non-Proliferation Treaty is signed.
- August 21, 1968** Soviet troops invade Czechoslovakia, crushing the "Prague Spring" reform movement.
- May 5, 1972** The SALT I agreement, creating a 5 year freeze on testing and deployment of intercontinental ballistic missiles and submarine-launched ballistic missiles, is signed by the US and the USSR.
- May 26, 1972** The Anti-Ballistic Missile (ABM) Treaty is signed, severely restricting the testing or deployment of anti-ballistic missile systems.
- June 18, 1979** The SALT II Treaty, placing ceilings on strategic nuclear forces, is signed in Vienna. In the aftermath of the Soviet invasion of Afghanistan, the US never ratifies the treaty but abides by its limits informally until 1980.
- December 1979** The Soviet Union invades Afghanistan.
- November 10, 1982** Leonid Brezhnev dies; Yuri Andropov replaces him as General Secretary.
- March 23, 1983** US President Ronald Reagan introduces the Strategic Defense Initiative (SDI or Star Wars).
- February 10, 1984** Andropov dies and, three days later, is replaced by Konstantin Chernenko.

The Gorbachev Era of Reforms

- March 11, 1985** Konstantin Chernenko dies and is replaced by Mikhail Gorbachev as General Secretary of the Central Committee of the Communist Party.
- February 1986** Gorbachev announces the USSR must pursue "*glasnost*" or openness to move into the 21st Century.
- April 25, 1986** The Chernobyl nuclear reactor accident in Ukraine kills more than 20; over 100,000 are evacuated from the region. Radiation released from the accident is detected worldwide.
- October 11-12, 1986** At the Reykjavik summit, Gorbachev and Reagan discuss abolishing all nuclear weapons; talks break down over the issue of the U.S. Strategic Defense Initiative.
- November 1986** The Supreme Soviet approves legislation allowing limited private-sector activities. Individuals and families can for the first time since 1922 start their own small businesses and offer their skills for a fee.
- December 19, 1986** Andrei Sakharov, Nobel Peace Prize winner and father of the dissident movement in the Soviet Union, is released from exile in Gorky.
- June 12, 1987** Elections for local soviets or assemblies are held. Some races have more than one candidate, although all candidates are approved by the Communist Party.
- December 8, 1987** Gorbachev & Reagan sign the INF Treaty abolishing intermediate-range nuclear missiles.
- December 7, 1988** Speaking at the United Nations, Gorbachev promises large unilateral cuts in conventional forces by 1991 and a shift to a defensive military posture.
- February 15, 1989** The last Soviet troops withdraw from Afghanistan.
- March 26, 1989** In the first multi-candidate elections for the Congress of People's Deputies since 1917, many official Communist candidates are defeated. The Congress is the Soviet equivalent of a parliament.
- April 9, 1989** Soviet troops put down a demonstration in Tbilisi, Georgia. Up to thirty people die and 200 are injured.
- June 3-15, 1989** Over 90 people die in Uzbekistan during riots between Uzbeks and ethnic Meskhetians.

Eastern Europe Breaks Off

- June 4, 1989** Poland holds partially open parliamentary elections. Candidates from Solidarity, the labor union, win 92 of the 100 seats in the Senate and 160 of the 161 open in the 460-seat Sejm.
- September 10, 1989** Hungary announces it will no longer prevent East Germans from passing through to Austria. With the next month, nearly 50,000 East Germans leave for the West, the vast majority going to West Germany.

October 1989 Gorbachev announces that the USSR "has no right, moral or political right, to interfere in the events unfolding in Eastern Europe."

November 9, 1989 The Berlin Wall falls. Free travel is allowed.

November 10, 1989 Bulgarian President Todor Zhivov resigns after 35 years in power.

December 4, 1989 The Warsaw Pact (excluding Romania) condemns the 1968 invasion of Czechoslovakia.

December 25, 1989 Following a week of protests and armed clashes, Romanian leader Nicolae Ceausescu and his wife are captured, summarily tried and executed. Former and current Communists dominate the new government.

December 29 Dissident playwright Vaclav Havel is elected president of Czechoslovakia by the parliament.

January 2, 1990 Soviet troops are sent to Azerbaijan to quell mounting violence against ethnic Armenians.

January 5-16, 1990 The Communist Party chief in Azerbaijan resigns in the face of increasing violence. Over 10,000 Azerbaijanis demonstrate in Baku. In the following days, over 30 people, primarily ethnic Armenians, are killed. The Soviet Union declares a state of emergency in parts of Azerbaijan.

January 20, 1990 One day after airlifting thousands of Soviet troops into Azerbaijan, Gorbachev orders Soviet troops into Baku. Soviet officials report 83 people are killed. Azerbaijani sources claim over 300 are killed. Soviet troops control the capital, but an estimated one million Azerbaijanis gather in a funeral procession for those killed.

February 13, 1990 The Communist Party's new platform plays down the role of doctrine, opens the door to a multi-party system, commits the party to market economy, calls for separation of powers, and supports the right of "self-determination including secession."

March 18, 1990 Free elections in East Germany give victory to a Christian Democratic-led coalition that seeks unification with West Germany.

March 25, 1990 In free elections in Hungary, anti-communist and pro-free market parties are the big winners.

The Beginning of the End of the Soviet Union

March 11, 1990 Lithuania declares independence from the Soviet Union. Soviet authorities respond with an economic blockade, which ends 72 days later when Lithuania announces a moratorium on its declaration.

March 13, 1990 The Congress of People's Deputies repeals the Communist Party's constitutionally guaranteed monopoly on power and creates a new presidential office which Gorbachev is elected to fill.

March 30, 1990 The Estonian Supreme Soviet passes a resolution announcing that Estonia is in a transitional period leading to the republic's full independence. The resolution states that the Estonia does not recognize the USSR's authority on Estonian territory and that Estonia considers itself occupied territory.

May 1, 1990 Thousands jeer the Politburo, or ruling cabinet, at the annual May Day Parade, the traditional high point of Soviet pomp and ceremony.

May 4, 1990 The Latvian Supreme Soviet declares Latvia's independence from the Soviet Union and calls for independence to be established after a transition period.

May 29, 1990 Boris Yeltsin is elected president of Russia by the Russian parliament.

June 8-12, 1990 The Russian parliament asserts that in Russia its laws take precedence over Soviet laws. Three days later, it proclaims Russia a sovereign country.

July 2-12, 1990 At the 28th Congress of the Communist Party, Gorbachev faces down a challenge from conservatives. Yeltsin resigns from the Party citing the slow pace of reform; the mayors of Moscow and Leningrad follow his example.

July 15, 1990 Gorbachev decrees an end to the Communist monopoly on radio and television broadcasts.

July 21, 1990 The Belorussian Supreme Soviet declares Belorussia's sovereignty. The declaration asserts the supremacy of Belorussian laws and Belorussia's right to form its own army and issue currency.

July 25, 1990 Gorbachev orders illegal militias throughout the USSR to surrender arms. Few comply.

August 6, 1990 The UN Security Council, including the Soviet Union, votes to establish mandatory economic sanctions against Iraq for its invasion of Kuwait.

September 13, 1990 Gorbachev presents the republic parliaments and the Supreme Soviet with a radical 500-day economic reform plan drawn up by Stanislav Shatalin.

September 14, 1990 "Two-Plus-Four" Treaty is signed between the two Germanies and four victors of World War II, granting a united Germany full sovereignty.

- October 15, 1990** Mikhail Gorbachev is awarded the Nobel Peace Prize.
- October 16, 1990** Gorbachev presents a new compromise plan for economic reform that is a weakened version of Shatalin 500-day economic reform plan. The USSR Supreme Soviet approves the new plan. Yeltsin rejects compromise and vows to go ahead with the radical plan in Russia.
- October 27, 1990** In the first direct elections for president of a Soviet republic, Turkmen Communist Party Secretary Saparmurad Niyazov, running unopposed, is elected president of Turkmenistan.
- November 19, 1990** U.S. President George Bush, with Gorbachev and European leaders, signs the Conventi Forces in Europe (CFE) Treaty, calling for large reductions, particularly on the Soviet side, of armed forces in Europe.
- November 24, 1990** Gorbachev introduces the first draft of a Union Treaty, designed to replace the 1922 version, will grant substantial power to the republics. Four republics refuse to sign.
- December 25, 1990** The Congress of People's Deputies approves a constitutional amendment expanding the authority of Gorbachev's presidential office.
- January 13, 1991** Soviet paratroopers and tanks attack the radio and television center in Vilnius, the capital of Lithuania. Fourteen people are killed and more than 160 wounded.
- March 4, 1991** The USSR Supreme Soviet ratifies the Two-Plus-Four treaty allowing German unification.
- March 17, 1991** In a first-ever nationwide referendum, more than 70% of Soviets vote to keep the union as a "federation of equal sovereign states." Armenia, Georgia, Moldavia, and the Baltic republics boycott the referendum.
- March 31, 1991** The military structure of the Warsaw Pact is officially dissolved.
- April 4, 1991** The Russian Congress of People's Deputies votes to give Boris Yeltsin expanded powers, including right to rule by decree.
- April 10-14, 1991** The Georgian Supreme Soviet unanimously approves a declaration of the republic's independence. Four days later it unanimously elects its chairman, Zviad Gamsakhurdia, to the newly created post of president.
- April 24, 1991** Gorbachev reaches agreement with nine of the 15 republican leaders to work on an economic treaty that would give the republics a greater voice in how they will reform their economies. The agreement is known as "9-plus-1" Accord.
- May 26, 1991** Georgia elects Zviad Gamsakhurdia president of the republic in the first contested election of a republican leader. Gamsakhurdia, a former Communist who appealed to nationalist voters, receives 86% of the vote.
- June 11, 1991** The White House announces that President Bush has approved \$1.5 billion in farm credit guarantees for the Soviet Union.
- June 12, 1991** Boris Yeltsin, with 60% of the vote, wins free multicandidate elections for president of Russia.
- July 24, 1991** Gorbachev announces accord with nine republics on the union treaty, to be signed August 20.
- July 31, 1991** In Moscow, Bush and Gorbachev sign the START Treaty. After nine years of negotiation, the treaty is the first that reduces strategic nuclear weapons.
- August 19, 1991** The newly created State Committee for the State Emergency announces that Gorbachev, for health reasons, has been temporarily replaced by Vice-President Gennadiy Yanayev. A six month state of emergency is announced. Gorbachev, vacationing in the Crimea, is cut off from public view. Yeltsin declares the takeover illegal, calls for Gorbachev's reinstatement, and appeals to Moscow's citizenry to stage protests. This occurs one day before the new union treaty is scheduled to be signed.
- August 20, 1991** President Bush issues a written statement condemning the unconstitutional removal of President Gorbachev. Moscow citizens surround the Russian parliament building where Yeltsin and his government are operating. Three demonstrators are killed in minor clashes with the Army and KGB.
- August 21, 1991** The Supreme Soviet Presidium pronounces the removal of Gorbachev illegal. Soviet television announces that the attempted coup has failed.
- August 22, 1991** Gorbachev returns to Moscow. Coup leaders are arrested.
- August 24, 1991** Gorbachev resigns as head of the Communist Party.
- August 26, 1991** Yeltsin claims Russia reserves the right to "re-examine borders" with neighboring republics that are declaring themselves independent.
- August 30-31, 1991** Azerbaijan, Uzbekistan and Kyrgyzstan (formerly Kirghizia) vote to declare themselves independent of the Soviet Union.

September 2, 1991 Bush announces that the United States officially recognizes the independence of Estonia, Latvia, and Lithuania. In Tbilisi, demonstrators demand the resignation of Georgian President Zviad Gamsakhurdia. Six people are wounded when police fire on the crowd.

September 6, 1991 The Soviet Union officially recognizes the independence of the Baltic states.

September 12, 1991 The twelve republics and the Baltic nations agree to maintain a collective defense framework and single control over the Soviet nuclear arsenal.

September 17, 1991 Estonia, Latvia, and Lithuania are admitted as member countries to the United Nations.

September 23-24, 1991 In Tbilisi, protestors backed by rebel national guard units take control of the capital's television center. President Gamsakhurdia places the city under state of emergency.

September 27, 1991 President Bush announces unilateral nuclear arms cuts, including the removal and destruction of U.S. tactical nuclear weapons and nuclear-armed cruise missiles, stopping planned rail-basing of MX ballistic missiles, and the end of the round-the-clock alert status for nuclear weapons.

October 5, 1991 Following Bush's initiative, President Gorbachev announces the removal of short-range nuclear weapons from Soviet ships, submarines, and land-based naval aircraft, a year-long moratorium on nuclear tests and says the USSR will reduce its strategic nuclear forces to 5,000 warheads. The International Monetary Fund (IMF) grants associate member status to the Soviet Union, which had requested full membership. Associate members can receive technical assistance but not IMF credit.

October 6, 1991 The European Community approves a \$1.5 billion food and aid package for the USSR.

October 8, 1991 Japan announces \$2.5 billion in aid for the Soviet Union, largely in export credit insurance.

October 9, 1991 The Soviet Union reestablishes relations with Estonia and Lithuania, broken since 1940.

October 12, 1991 President Askar Akaev runs unopposed in the first direct presidential elections in Kyrgyzstan and wins 95% of the vote.

October 17, 1991 Levon Ter-Petrosyan wins Armenia's presidency in the republic's first direct elections.

October 18, 1991 Eight Soviet republics sign the Treaty on an Economic Community, aimed to form a common economic space and foster inter-republic cooperation. Ukraine, Moldova, Azerbaijan and Georgia reject it.

October 22, 1991 The Ukraine Supreme Soviet approves plans to create a 400,000 to 450,000-strong Ukrainian armed forces.

October 26, 1991 Gorbachev agrees to withdraw all 45,000 Soviet troops from Poland by the end of 1992.

November 4, 1991 Ukraine agrees to sign the Treaty on Economic Union.

November 24, 1991 Rakhmon Nabiev, chairman of the Tajik Supreme Soviet, is elected president of Tajikistan. Nabiev was former first secretary of the Tajik Communist Party.

November 25, 1991 A planned ceremony for the signing of the new Union treaty for the twelve remaining republics is called off. The draft, which called for a "union of sovereign states," was rejected by Yeltsin and leaders of other republics. In Tbilisi, Georgia, demonstrators call for the resignation of President Zviad Gamsakhurdia and the release of arrested opposition leaders.

December 1, 1991 Ukraine holds its first direct presidential elections and a referendum on independence. Ukrainian Supreme Soviet Chairman Leonid Kravchuk wins 60% of the vote for president; 90% approve of the August 24 declaration of Ukrainian independence. Kazakhstan holds its first direct presidential elections; appointed President Nursultan Nazarbaev, running unopposed, wins approximately 90 percent of the vote.

The Soviet Union Breaks Up

December 8, 1991 Russian President Boris Yeltsin, Byelorussian Supreme Chairman Stanislau Shushkovich, and Ukrainian President Leonid Kravchuk form a "Commonwealth of Independent States," open to all republics of the former Soviet Union. They agree to create economic ties, develop market mechanisms, preserve a unified economic space, and retain the ruble while introducing national currencies. Minsk will be the center of the Commonwealth.

December 17, 1991 Yeltsin and Gorbachev agree that the Soviet Union will cease to exist on January 1, 1992.

December 21, 1991 Eight republics (all but Georgia) vote to join the Commonwealth of Independent States established by Byelorussia (formerly Belorussia), Russia and Ukraine. Russia will take the Soviet Union's seat on the UN Security Council. Byelorussia and Ukraine agree to remove strategic weapons from their territory and sign the Nuclear Non-Proliferation Treaty; the nuclear weapons in Kazakhstan are not covered in the agreement.

- December 22, 1991** Fighting breaks out in Tbilisi, Georgia between rebel National Guard troops and forces loyal to President Gamsakhurdia, who takes refuge in the basement of the parliament.
- December 25, 1991** Gorbachev announces his resignation as president of the Soviet Union. He hands over codes for the use of Soviet nuclear weapons to Yeltsin. Yeltsin states he will keep the codes but will not use the weapons without the authorization of the three other nuclear republics (Ukraine, Belarus, and Kazakhstan). President Bush recognizes the independence of the eleven members of the Commonwealth of Independent States as well as Georgia.
- December 30, 1991** The leaders of the Commonwealth of Independent States (CIS) opened a meeting in Minsk on the future form and direction of the CIS. Agreements are signed on military and strategic forces, on establishing a CIS council, and on the distribution of foreign aid, among other topics. Ukraine, Moldova, and Azerbaijan restate their intent to create their own national armed forces.
- January 2, 1992** Opposition leaders in Tbilisi, Georgia form a provisional government headed by a Military Council. Prime Minister Tengiz Sigua heads the Council.
- January 6, 1992** Georgian President Gamsakhurdia, under siege in the parliament building for two weeks, flees Tbilisi, seeking asylum in Armenia. He returns to northwest Georgia January 16, calling for a civil war, but opposition forces hold most of the republic's territory.
- February 10, 1992** U.S. cargo planes begin an airlift of Western humanitarian aid to Moscow and other cities in the former Soviet Union. The airlift is criticized both in the East and West as too little. European nations and private groups have been providing food and pharmaceuticals for months.
- February 17, 1992** Meeting in Moscow, Russian President Yeltsin and U.S. Secretary of State James Baker agree to plans for U.S. assistance for dismantling Russian nuclear weapons. They also agree to a science and technology institute to employ nuclear scientists from the former USSR to keep them from providing secrets to other nations.
- March 1, 1992** Azerbaijani sources claim Armenian forces killed hundreds in the town of Khojaly in the Nagorno-Karabakh region of Azerbaijan.
- March 6, 1992** Azerbaijan President Ayaz Mutalibov resigns after growing protests following the alleged massacre in Khojaly. Protestors were seeking better efforts to defend Azerbaijanis in the Nagorno-Karabakh region, officially under Azerbaijani control but populated largely by Armenians.
- March 10, 1992** Former Soviet Foreign Minister Eduard Shevardnadze, a Georgian, is appointed head of a newly created State Committee that will be given executive and legislative powers to administer Georgia until new elections can be held. The State Committee replaces the provisional Military Council that had ruled following the ouster of President Zviad Gamsakhurdia.
- March 12, 1992** Ukraine's leader Leonid Kravchuk announces that he is halting the transfer of nuclear weapons from Ukraine to Russia until he is reassured that they will be destroyed. The policy is reportedly reversed three weeks later; all weapons are scheduled to be transferred to Russia by July 1992.
- March 16, 1992** Russia's leader Boris Yeltsin announces the creation of a Russian Ministry of Defense, which he will head. This is widely perceived as a blow to hopes for continued control over the armed forces of the former Soviet Union by the Commonwealth of Independent States.
- March 21, 1992** Over 60% of the voters in Tatarstan vote to become a "sovereign state." Tatarstan, the largest of 17 autonomous enclaves within Russia, has been a part of Russia for 300 years.
- March 31, 1992** The International Monetary Fund (IMF) endorses Russia's economic reform plan, paving the way for the republic to receive up to \$4 billion in IMF aid over the next year. In Moscow, 18 of 20 of Russia's autonomous areas sign an agreement granting them more political and economic freedom but binding them to the Russian state. Tatarstan and Chechen-Ingush, two regions that have made moves toward independence, refuse to sign.
- April 1, 1992** President Bush in Washington and German Chancellor Helmut Kohl in Bonn announce a \$24 billion aid program for Russia. Seven countries will contribute to the program that will include \$11 billion in bilateral aid, \$4.5 billion in IMF and World Bank loans, \$2.5 billion in debt rescheduling, and a \$6 billion ruble stabilization fund.
- April 13, 1992** Yeltsin's entire Cabinet offers to resign after the Russian Congress of People's Deputies efforts to scale back the ambitious economic reform program Russia has undertaken. In addition to changing the economic program, the Congress asks Yeltsin to resign his post as prime minister (he would remain president) and name a replacement.

Sources: *The Washington Post*, *The New York Times*, *The Columbia History of the World*, *Toward Freedom* (American Enterprise Institute), *U.S. Department of State Dispatch*, *CRS Report for Congress*, *Soviet Union* (National Geographic), *Looking the Tiger in the Eye*, *Change in Eastern Europe* (ACCESS).

Country Profile

Russian Federation

Area: 6.6 million square miles, just over 75 percent of the former Soviet Union, and almost twice the size of the United States.

Population: 147 million by the 1989 census, just over half the total population of the former Soviet Union and made up of more than 100 ethnic groups including: 82 percent (120 million) are Russian, 4 percent (5.5 million) are Tartar, 3 percent (4.4 million) are Ukrainian, 1.2 percent (1.8 million) are Chuvash.

Administrative Subdivisions: 16 autonomous republics and numerous other units, many ethnically based. Since 1991, a number of areas have declared sovereignty: Chechen, Tuva and Tartarstan; Volga Tartars, Germans and Cossacks are lobbying for autonomous ethnic states. The ultimate status of these regions is still to be worked out.

Economy: Russia accounted for 60 percent of the GNP of the former Soviet Union, based on a wealth of natural resources: 30 percent of the world's proven natural gas reserves, 20 percent of coal, 20 percent of gold, 6 percent of oil, abundant quantities of uranium, diamonds, copper, lead, and silver. Per capita income in 1989 approached \$6,000. Heavy industry dominates Russia's economy, and the military industrial complex has been pervasive. Nearly a million workers were involved in the nuclear industry alone. Agriculture production--grain, potatoes, vegetables--was half of USSR's total production. GDP is expected to drop 15-20 percent in 1992; industrial output is down 20 percent; oil production off 13 percent; and inflation is running at close to 20 percent per month.

Political: The Russian Republic Congress of People's Deputies (1,068 deputies) was elected in March 1990; the Supreme Soviet, elected by the Congress, includes 252 members and is divided into two chambers, the upper chamber representing republics and nationalities, and a lower chamber representing electoral districts. May 1990 the Congress elected Yeltsin as the Chairman of the Supreme Soviet; in Russia's first popular election, June 1991, he was elected President of the Republic by a 58 percent plurality. Yeltsin appointed a Prime Minister--Yegor Gaidar--and a number of deputy prime ministers. He has reorganized the cabinet several times and is likely to do so again.

History: East Slavic tribes along the Dnepr River in what is now Ukraine were overrun by Mongols in the 13th century. Ivan III, a Moscow prince, ended Mongol rule in 1481 and declared himself Tsar of all Russia. Peter the Great, 1682-1725, opened the country to European influence and greatly expanded the lands under control, establish the Russian Empire. The Romanov dynasty ruled for three centuries until Nicholas II was overthrown and the Bolsheviks assumed power with the October 1917 revolution. The Union of Soviet Socialist Republics was established in 1922, consolidated under Lenin and Joseph Stalin. Stalin (1924-52) institutionalized

terror, suppressed all dissent, forced collectivization of farms, and focused the economy on the development of heavy industry and military capacity. Khrushchev (1952-1964) attempted reforms by reducing political terror and decentralizing decision-making, but was overthrown by Leonid Brezhnev (1964-82) who controlled dissidence and sought to expand military power and influence particularly in the third world. Post-Brezhnev leaders tried to introduce some corrective measures to a declining economy, and Mikhail Gorbachev (1985-91) initiated an era of glasnost (openness of expression) and perestroika (rebuilding) of political, economic, and foreign policies. He avoided, however, major economic reforms, and following the failed coup attempt of August 1991, the republics in the USSR, led by Russia and Boris Yeltsin, repudiated the union and declared independence. The independence of the Baltic states, annexed in 1940, received international recognition in August and September 1991, and that of the other republics followed shortly thereafter.

Issues: Major policy issues afflicting Russia relate to its ability to stabilize its economy and move toward a free market system while maintaining political control. The country also faces serious questions concerning ethnic rights and sovereignty, extraordinary environmental pollution, military security and control of arms proliferation and nuclear weapons.

U.S. Economic Assistance

1. Economic Reform

- o The U.S. Treasury Department has provided short-term tax and currency advisors; a long-term tax advisor to arrive at the end of 1992.

2. Democratic Institutions Development

- o Grant to the American Bar Association (ABA) for legal assistance in drafting new legislation and constitution and for training judges, lawyers, and law school faculty. ABA has established an office in Moscow to coordinate activities in Russia. Workshops planned on judicial restructuring and constitutional reform, court organization and administration, and legal education. Short-term advisors planned for legislation drafting, legal education, and dissemination of information.

- o Grant to Citizens Democracy Corps to open Moscow office and facilitate private sector exchanges and technical assistance.

- o Agreements with USIA for the training of national, regional and municipal officials on governance and civil education issues and for the establishment of America Houses.

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o Grant to the Experiment in International Living and six sub-grants as follows:

- The American Red Cross to develop the capacities of local Red Crescent societies;
- Global Jewish Assistance and Relief Network to focus on strengthening local affiliates and their programs;
- International Orthodox Christian Charities to finance training in organizational development and relief supply distribution;
- World Vision to provide training for nursing services;
- The Young Men's Christian Association (YMCA) to implement social service and community development activities;
- ISAR (formerly the Institute on Soviet-American Relations) to strengthen communication and institutional links between environmental groups.

o Grant to Internews for training of journalists, station managers, and limited commodities required to set up a network of independent television stations.

o Grant to the National Democratic Institute which has now placed three long-term advisors in Moscow to hold seminars on local government reform, political party and civic development. Support for the International Republican Institute's program to train local political party staff and for a conference on the role of women in political organization.

o Grant to the AFL/CIO to establish an Institute for Research and Education in Moscow which will provide information and training on the role of free trade unions.

o Grant to the U.S.-based Atlantic Council for a training program on civil-military relations and the role of the military in a democratic society.

3. Private Sector Development

o Contracts with Price Waterhouse and Sawyer Miller for advisory services and public relations to the State Commission on State Property (GKI) responsible for launching Russia's privatization voucher program. The program provides each citizen with 10,000-ruble vouchers to purchase shares in state-owned companies being privatized.

o Grant to the International Finance Corporation to assist GKI in small enterprise privatization auctions, beginning in Nizhniy Novgorod.

o Agreement with the Trade and Development Program (TDP) and the

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Overseas Private Investment Corporation (OPIC) for feasibility studies for U.S. companies interested in investing in Russia.

- o Agreement with the Department of Commerce to administer the Special American Business Internship Training Program (SABIT) to provide opportunities for Russian managers and scientists to receive up to six months of on-the-job training at American companies. First participants arrived in September.

- o Agreement with the Department of State for assistance in telecommunications.

- o Grant to the International Executive Service Corps (IESC) to provide advisors in defense conversion and privatization. Two advisors in Nizhniy Novgorod.

- o Cooperative agreements with Agricultural Cooperative Development International, The Citizens Network for Foreign Affairs, Land O' Lakes, Tri Valley Growers, Volunteers in Overseas Cooperative Assistance and Winrock International Institute for Agricultural Development for the Farmer-to-Farmer program. The program will field more than 1300 U.S. farmers to work with Russian and other NIS farmers on improving production, processing, storage and marketing technologies and on agricultural credit.

- o Through the Universities of Kansas State and Idaho, technical assistance to Russian farmers in potato and grain storage.

- o Proposed grant to the Center for Strategic and International Studies to advise on policy reform and hold conferences in St. Petersburg.

- o Proposed contract with Sovcap, Ltd. of Salt Lake City for a feasibility study for development of the port and industrial park of Nakhodka.

- o Proposed grant to the National Governors Association to establish an office in Moscow to assist state officials and trade missions to Moscow.

- o Proposed contract with Geonomics for a conference on defense conversion.

4. Housing

- o Posting of long-term consultants in Moscow to advise on privatization of the management and maintenance of multi-story housing and the development of a comprehensive approach to raising rents while protecting low-income residents.

- o Short-term consultants (and recruitment initiated for two resident advisors) in Ekaterinburg to work on housing and infrastructure finance, land planning and development.

- o Short-term consultants to municipal officials in Novosibirsk to work on privatization of housing management. Resident advisors will arrive in October.

5. Health

- o The American International Health Alliance, a consortium of U.S. hospital associations, is administering a hospital-to-hospital partnership program throughout the NIS. Partnerships have been established with hospitals in Moscow, Dubna and Murmansk. A second partnership in Moscow is under consideration.

- o Technical assistance on the establishment of public health early warning systems and support for the procurement of emergency medicines and pharmaceuticals.

- o A memorandum of agreement is under negotiation with the Russian government for support in vaccine production (diphtheria, pertussis and tuberculosis). Merck and Lederle have provided technical advice on improving vaccine production.

- o Proposed assistance to meet nutritional needs for mothers and children primarily in the Urals.

6. Energy/environment

- o Advice on improved efficiency of district heating.

- o Technical assistance on the management and privatization of coal mines in Kuzbass and Vorkuta regions.

- o Proposed assistance in nuclear reactor safety, including alternatives to aging nuclear power plants; advice on modernizing oil refineries and on privatization of the energy sector.

- o Proposed assistance in policy and regulatory reform.

- o Sponsorship of Russian Forestry Policy Workshop, October 1992.

- o Nearing completion of the design of an environmental project to provide technical assistance across the NIS.

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RUSSIA

Housing:

According to Jim Leo, EXO/Russia, the construction of ten prefab units is on schedule. They should be ready by the end of the year and the mission has plans to move into the units in early January. All the staff except Jim Norris are currently living in hotels. Although morale remains fairly high, hotel living is bound to get old, especially around the holidays. Jim Norris is currently living on the Embassy compound but the security requirements there make it too difficult to entertain host country officials. Therefore, a search for alternative housing for the Mission Director is underway.

Office Space:

The USAID is currently located in the "Charge" building. It is extremely run down and not spacious enough for USDH staff. Once foreign nationals are hired, the building will be extremely crowded. Jim Leo is searching for alternate space. We hear that Mr. Leo has done a tremendous job of sprucing up the "Charge" building over the past few weeks.

Automation:

90% of the automation equipment has arrived in Moscow. Hopefully all pieces will be there when a team from IRM arrives 9/27. This team will install the equipment and software, including E-mail connection to Washington and other posts.

Commonwealth of Independent States



Country Profile

Kazakhstan

Area: 1.0 million square miles, the second largest former Soviet republic, and almost twice the size of Alaska.

Population: 16.5 million by the 1989 census, the fourth largest former Soviet republic. Ethnically, it is predominantly Kazakh (40%) and Russian (38%) with minorities of Germans (6%) and Ukrainians (5%). While other nationalities compose the remaining 11%, Kazakhstan is the most heterogeneous of the newly independent states. Kazakhs are predominantly Muslim.

Administrative Subdivisions: Regions, districts, cities, and towns. There are no ethnically based subdivisions.

Economy: Its 1991 estimated GNP of 81.2 billion rubles is about 4.6% of the total for the former Soviet Union. Its Per Capita income of 4,822 rubles is the highest among the Soviet Central Asian republics but below that of the former Slavic and Baltic republics. Rich in natural resources, Kazakhstan may be able to develop export markets. It is a major world source of copper, zinc, titanium, magnesium, and chromium, has sizable oil reserves, and was formerly the third largest producer of grain among the former Soviet republics. Today, it has been forced to import grain to feed its population. Efforts have been made towards privatization and the solicitation of foreign investment. The environment, especially around the Aral and Caspian Seas, has been severely degraded by pesticides, nuclear waste, and other toxins.

Political: The unicameral Supreme Council was elected in March 1990 in an electoral contest dominated by the Communist Party though some of the Communist Party and government candidates were defeated. In April 1990, the Supreme Soviet selected Nazarbayev as president. He was reelected in an uncontested election on December 1, 1991 where he garnered 99% of the popular vote. In December 1991 Kazakhstan declared its independence and joined the Commonwealth of Independent States and the Communist Party changed its name to the Socialist Party of Kazakhstan (SPK). The Kazakh Supreme Council approved a draft constitution in early June 1992 for public discussion and possible further amendment before final adoption. The draft calls for a secular political system, a strong presidency with limited checks on executive power by the legislature, protection of private property, and several human rights guarantees. The main opposition parties to the SPK are the Zheltoksan, Azat, and Republican Parties.

History: The origins of the Kazakh people are uncertain but they may be descended from the Mongol Golden Horde. The Kazakhs founded a great nomadic empire and became masters of the steppe. The nomadic life style of the people inevitably led to the breakdown of the empire into smaller groups known as "hordes" each with an individual Khan. In the mid-19th century the

khanates were abolished and the region was incorporated into the Russian empire. Kazakhstan was briefly independent after the 1917 Russian revolution but became part of the Russian Federation shortly thereafter. It became a separate republic in 1936. During Stalin's forced collectivization campaign in the 1930's, as much as 1/3 of the population and most of livestock perished. Khrushchev's "Virgin Lands" scheme in the 1950's vastly increased grain and livestock production but also resulted in environment degradation and human suffering. In 1986 Gorbachev appointed an ethnic Russian as Kazakh Communist Party leader citing accusations of corruption in Kazakh leadership. Major riots resulted in Alma-Ata and other cities prompting Gorbachev to replace his selected leader with Nazarbayev, the current president and native. In 1989 Kazakh was made the official language of the republic; many Russians have since left.

Issues: Kazakhstan promises to play an important role on Eurasian politics by virtue of its large territorial size, substantial natural resources, strategic location, and presence of long-range nuclear ballistic missiles on its territory. Originally, Kazakhstan threatened to retain its nuclear weapons but in December of 1991 agreed to place strategic forces under the control of the Commonwealth of Independent States and agreed to move all tactical weapons to Russia by mid-1992.

U.S. Assistance

1. Democratic Institutions Development and Political Reform

- Placement of U.S. advisors in Kazakhstan to facilitate governance training.
- Public Administration training to be provided through USIA.
- Opening an American House facility in Alma-Ata.
- International Republican Institute (IRI) plans to place field representative in Alma-Ata to focus on political party development.
- A grant was received by the Free Trade Union Institution (FTUI) to establish a Center for Democracy, Labor, and Human Rights. This center will provide a linkage between democratic labor movement and human rights.
- The creation of Internews Network, a network of independent television stations that will provide training to journalists and station managers. The purpose of which is create a strong independent media.

2. Economic Assistance

- Provision of technical assistance and training in Natural Resource Management, Food Production, Product and Market Development and Community Development through U.S.-Israeli cooperative program.
- One long-term Central Bank advisor has been identified for Kazakhstan.

3. Energy

- Electricity/coal/nuclear energy legislation reform and a least cost power expansion plan may be initiated relatively quickly in this republic through the cooperative agreement with USEA.

4. Health

- Medical Partnerships -- Linking U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology. Presently a link has been made between Tucson Medical Center and Kazakh Institute for Pediatrics.
- Productive Capacity -- Targeted interventions aimed at improving the system for producing and delivering medicines, vaccines, and medical supplies. Presently technical assistance regarding production of pharmaceuticals and medical supplies is available under this project.
- Expanding Health Trade and Investments -- Encourages U.S. private business trade and investment in the health sectors of the NIS; enhances private sector participation in the production of health care inputs and the provision of services; develops alternative systems for providing and financing health care which will attract private investment. Overseas Private Investment Corporation (OPIC) will host a seminar in Washington, D.C. for the U.S. pharmaceutical industry on investment opportunities in Central Asia in December.
- An investment mission to Central Asia is planned for Spring 1993.
- Under the President's Medical Initiative, Project Hope has shipped \$1.9 million in medical assistance to Alma-Ata and Kzyl-Orda and Aralsk in the environmentally devastated Aral Sea region.
- USDA has signed a Food For Progress agreement with Kazakhstan to provide 3,000 metric tons of wheat flour, worth almost 2\$ million (including

transportation). Under USDA's Section 214 program, Mercy Corps International will deliver 7,000 metric tons of butter oil and wheat flour worth approximately \$10.1 million (including transport).

5. Legal Reform

- A grant was given to the American Bar Association to provide for:
 - Assistance in drafting legislation and constitutions on a request basis.
 - A field representative to coordinate all ABA activities.
 - A field representative to work specifically with the constitutional Court and parliament.
 - Provide training to judges, lawyers, and law school faculty in rule of law principles.
 - Provide an on-site assessment of current state of legal reform.

6. Housing

- To implement housing policy reform, resident advisors will be placed in Alma-Ata and Karanganda to assist city authorities in the privatization of municipal housing and to provide broad policy guidance on creating the conditions necessary for the private sector to play the dominate role in addressing housing needs. Work programs identifying specific areas for assistance during the next six months will be developed shortly.

October 20, 1992

KAZAKHSTAN

Staffing:

Herb Miller is Acting Mission Director until Craig Buck arrives.

Housing:

The Acting EXO, Mike Curtis, has informed FA/OMS that he will be able to lease four apartments before the end of the fiscal year. If this in fact happens, they will be in very good shape for housing going into FY 93.

Office Space:

The Embassy has been extremely helpful to our people in Alma Ata and has given very good space in a building right next to the Chancery.

Automation:

Equipment is being flown in from Belgium the week of September 28-October 2, in time for the arrival of the IRM installation team.

Names and boundary representation are not necessarily authoritative.



Base 801993 (R001B4) 3-92

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Country Profile

Kyrgyzstan

Area: 77,000 square miles, about the size of South Dakota.

Population: 4.3 million by the 1989 census. Ethnically, Kyrgyz compose 52% of the population with Russians (21%), Uzbeks (13%), Ukrainians (3%) and Germans (2%) following. Other nationalities account for the remaining 9%.

Administrative Subdivisions: Regions, districts, and cities. In February 1992, President Askar Akayev proclaimed the establishment of German territorial-cultural enclaves.

Economy: Its estimated 1991 GNP was 13.8 billion rubles was less than 1.0% of the total for the former Soviet Union. The republic is the third poorest among the former Soviet Union with a Per Capita GNP of 3,113 rubles. Price increases on consumer goods in January '92 exacerbated poverty conditions. In an attempt to attract needed foreign investment has eased tax and custom barriers as well as export-import regulations. It has also established new regulations for the protection of foreign investment. Kyrgyzstan produces cotton, tobacco, and wool -- ranking third (behind Russia and Kazakhstan) in wool production. The republic had been self-sufficient agriculturally but now must import 40% of its grain and 95% of its oil and gas. President Akayev has called for the creation of a market economy and a national currency. In January of this year he announced the liberalization of most prices, excluding fuels and basic foodstuff. Many salaries were raised to lessen the hardship.

Political: The Supreme Soviet was elected in March 1990 in partially free elections. Ninety-five percent of the elected deputies were Communists. In the summer of 1990 ethnic riots in Osh region led to demonstrations against Communist Party rule. As a consequence, the Supreme Soviet elected reformer Askar Akayev as president over Communist Party leader Absamat Masaliyev. When the Supreme Soviet declared Kyrgyzstan an independent democratic state in August 1991, Akayev ran unopposed in direct Presidential elections and won 95% of the vote. Akayev has professed his preference for "strong executive power" and declared his primary goals to be a modernization of the economy and maintenance of ethnic harmony. Kyrgyzstan has joined the Commonwealth of Independent States and has supported continuation of some form of union of the former republics.

History: The region of Kyrgyzstan has been controlled by Mongols, Kaluyks, Manchus, the Kokland Khanate, and Russians. The Kyrgyz, a nomadic tribe who speak a Turkic language, have never been an independent state. In the mid-19th century, the Kyrgyz were assimilated into the Russian empire as part of Russian Turkestan. After the Bolshevik revolution, the Kara-Kyrgyz Autonomous Oblast was formed. It became the Kyrgyz Autonomous Soviet Socialist Republic in 1926 and a union republic in 1936. Although the Soviet

Government allowed Kyrgyz culture to flourish in the 1920's, Stalin's forced collectivization and purges of Kyrgyz leadership repressed local traditions. Despite such setbacks, the Kyrgyz have managed to achieve some industrialization, raised their standard of living, and made significant gains in education. Ethnic Russians have held most government positions and leadership of the Communist Party in the republic since the mid-1930's. In 1990 250 people died in what has been termed "the most explosive region of Central Asia," because of its mixed population of Uzbek and Kyrgyz, poverty and high unemployment.

Issues: Once regarded as among the most politically conservative republics, Kyrgyzstan began political and economic reforms in the late 1990 and had progressed farthest in such reforms among the Central Asian republics. To succeed, Kyrgyzstan must overcome its deepening economic problems and the increasingly volatile ethnic tension between the Kyrgyz majority and Uzbek minority.

U.S. Assistance

1. Democratic Institutions Development and Political Reform

- Placement of U.S. advisors in Kyrgyzstan to facilitate governance training.

2. Economic Reform

- Provision of technical assistance and training in Natural Resource Management, Food Production, Product and Market Development and Community Development through U.S.-Israeli cooperative program.

3. Health

- Medical Partnerships -- Linking U.S. hospitals and clinics in one-on-one relationships with relevant NIS health care institutions to facilitate the transfer of American medical knowledge and technology. Presently a link is formed between Kansas University Medical Center and the Bishkek Institute of Obstetrics and Pediatrics and the Bishkek Institute of Oncology and Radiology.
- Productive Capacity -- Targeted interventions aimed at improving the system for producing and delivering medicines, vaccines, and medical supplies. No actions are currently planned at this time but the republic will have access to training and technical assistance if needed.
- Expanding Health Trade and Investments -- Encourages U.S. private business trade and investment in the health sectors of the NIS; enhances private sector participation in the production of health care inputs and the provision

of services; develops alternative systems for providing and financing health care which will attract private investment. Overseas Private Investment Corporation (OPIC) has arranged for three representatives from Kyrgyzstan to visit Washington on 12/10 for business appointments with potential investors.

- Have completed Phase I and are underway with Phase II of a program to immunize 520,000 infants in four states of Central Asia including Kyrgyzstan.

4. Legal Reform

- A grant was given to the American Bar Association (ABA) to provide for a field representative to coordinate any ABA activities in Kyrgyzstan and Kazakhstan.

5. Energy

- Bishkek is a selected site for the energy efficiency program.